State of Utah

Comprehensive Annual Financial Report

for the fiscal year ended June 30, 1986

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1986

CONSTITUTIONAL OFFICERS OF THE STATE OF UTAH

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Edward T. Alter	State Treasurer
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Arnold Christensen	President of the Senate
Robert H. Garff	Speaker of the House
Gordon R. Hall	Chief Justice Supreme Court

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Eugene H. Findlay, CPA	Executive Director, Dept. of Administrative Services
Gordon L. Crabtree, CPA	Director, Division of Finance
Dale Hatch, CPA	Director, State Planning and Budget Office
Leo L. Memmott	Legislative Fiscal Analyst
Wayne Welsh, CPA	Legislative Auditor General

ACKNOWLEDGMENTS

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Special appreciation is given to all of the budget and accounting officers throughout the State whose extra time and effort made this report possible.

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 1986

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State of Utah
Department of Administrative Services
Division of Finance

Norman H. Bangerter, Governor
Gordon L. Crabtree, C.P.A.

November 20, 1986

The Honorable Norman H. Bangerter
Governor, State of Utah
Room 210 State Capitol
Salt Lake City, Utah 84114

Dear Governor Bangerter:

It is our pleasure to furnish you with the 1986 Comprehensive Annual Financial Report of the State of Utah in accordance with Section 63-1-1℄ of the *Utah Code Annotated, 1953*, as amended. This report includes the financial statements of the State of Utah as well as the necessary disclosures to accurately present the State's financial position and results of operations in all material respects. Also, statistical and demographic information are included to give the reader the maximum understanding of the State's financial affairs. In addition, this letter and introduction to the report includes some information that will assist you as well as help the casual reader understand the contents of this report.

Reporting Entity

The Comprehensive Annual Financial Report includes various departments, agencies, and other organizational units governed by the State legislature and/or the constitutional officers of the State of Utah. The following criteria were used in determining if a particular entity should be included in this report as an integral part of State Government: Selection of the governing authority, appointment of management, legislative or executive ability to significantly influence operations, and accountability for fiscal operations. The entities that are a part of this report include, but are not limited to, the Utah State Retirement Office, Unemployment Compensation Trust Fund, Worker's Compensation Fund, Utah Housing Finance Agency, Alcoholic Beverage Control Commission, Board of Regents Student Assistance Programs, and State Colleges and Universities.

The State provides a range of services including education, health and social services, transportation, law enforcement, judicial, public safety, community and economic development, and general administrative services. The cost of these services is reflected in detail and in summary in this report.

Accounting System and Budgetary Control

The State's financial statements for general governmental operations, the expendable trust funds and the agency funds have been prepared on the modified accrual basis of accounting meaning that revenues are recorded when measurable and available and expenditures are recorded when services or goods are received and the liabilities incurred. The proprietary, nonexpendable trust, pension trust, and college and university funds are accounted for on the accrual basis of accounting with all transactions recorded when they occur, regardless of when the related cash is received or disbursed.

The State's system of internal controls over the accounting system have been designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary control is exercised by legislative authorization of expenditures appearing in the State *Appropriation Act*. This Act also identifies the source of funding for the budgeted amounts. In the event funding is insufficient to cover appropriations, the budgeted expenditures must be reduced. Budget reductions are made routinely throughout the year for shortfalls in departmental collections, dedicated credits and federal revenue.

General Governmental Functions

General governmental functions are represented by the general fund, the special revenue funds, the debt service fund, the capital projects fund, the general long term debt account group and the general fixed assets account group.

Revenues for general governmental functions totaled $2,270,726,000 in 1986, an increase of 5.9% over 1985. The amount of revenues from various sources and the changes from last year are shown on the next page (expressed in thousands).

Revenue Source	Amount	Percent of Total	Increase (Decrease) From 1985 Amount	Percent
Sales Taxes	$ 558,377	24.6%	$ 3,270	0.6%
Income Taxes	537,585	23.7	36,794	7.4
Motor and Special Fuel Taxes	111,533	4.9	4,405	4.1
Licenses, Fees and Permits	48,605	2.2	1,882	4.0
Interest on Investments	25,939	1.1	(15,985)	(38.1)
Federal Revenues	715,689	31.5	82,630	13.1
Other Taxes and Revenues	272,998	12.0	13,146	5.1
Total	$ 2,270,726	100.0%	$ 126,142	5.9%

The Sales and Use Taxes, the largest source of State tax revenue, increased $3,270,000 or 0.6% over the previous year. Retail sales increased by 5.4% during the year. However, this increase was offset by a general decline in business investment with the major impacts from completion of the Intermountain Power Project, the Kennecott Copper closure, and decline in the oil industry which led to dramatic declines in taxable business purchases. The general fall in the price level of all goods also contributed to the decline in gross taxable business sales.

Of the fiscal year 1986 Income Taxes, $453,537,000 was received as individual income taxes. This represented an additional $18,664,000 or a 4.3% increase that was due mainly to increased job growth, approximately a 5% increase in services sector jobs, and a 4% increase in the goods production sector. In comparison, the average wage growth was only 2.2% in 1985 compared to a 4% growth rate in 1984. In addition, $84,048,000 was collected as corporate income taxes. This represents an increase of $18,130,000 or 27.5%. The majority of the corporate income tax increase was related to a 26.5% increase in the mineral production withholding tax.

The Motor and Special Fuel Taxes increase of $4,405,000 or 4.1% was attributable to higher consumption of fuel due to population increases and related increase in the number of vehicles.

The Licenses, Fees and Permits increase of $1,882,000 or 4.0% is attributable to some rate increases as well as increased numbers of various professional licensing and regulation fees due to the expanding population and the growth in service related jobs.

The Interest on Investments decrease of $15,985,000 or 38.1% was the result of a decrease in the average monthly interest rate earned by State investments. Interest rates decreased from a high in July 1985 of 9.8% to as low as 5.6% in May of 1986. The average yield for fiscal year ended June 30, 1986 was 7.4%, compared to an average annual yield of 9.4% for fiscal year ended June 30, 1985. In addition, available funds decreased in fiscal year 1986 due to spending of cash reserves that were set aside for capital projects and flood control.

The Other Taxes and Revenues increase of $13,146,000 or 5.1% was the result of increases in various miscellaneous taxes and other revenues. The major increase was the result of construction in the Capital Projects Fund which reflects increases in intergovernmental revenues of $8,092,000 or a 71% increase.

Expenditures for total general governmental functions were $2,369,316,000 an increase of 7.1% over 1985. Included in the increase is a 3% cost of living adjustment and an allowance of 2% for performance and productivity for State employees. State government expenditures by function and the changes from last year are as follows (expressed in thousands):

Function	Amount	Percent of Total	Increase (Decrease) From 1985 Amount	Percent
General government	$ 134,201	5.7%	$ 16,015	13.6%
Education				
Public	734,862	31.0	87,734	13.6
Higher	254,139	10.7	14,890	6.2
Social services and health	563,546	23.8	68,358	13.8
Transportation and public safety	386,868	16.3	(23,300)	(5.7)
Natural resources	58,669	2.5	8,084	16.0
Community and economic development	57,268	2.4	(10,427)	(15.4)
Business, labor and agriculture	22,777	1.0	919	4.2
Debt service	74,203	3.1	(19,821)	(21.1)
Capital projects	82,783	3.5	15,066	22.2
Total	$ 2,369,316	100.0%	$ 157,518	7.1%

The increase in General Government expenditures of $16,015,000 or 13.6% was mainly attributable to increased spending of federal revenue at the Department of Employment Security of $7,145,000. Also, Tax Commission expenditures increased by $3,347,000 because of increased staffing to improve collection of State taxes. The other significant increase was in the State's court systems which increased $2,646,000 due to revisions to the court system.

The Higher Education expenditures include $247,056,000 of General Fund transfers to the colleges and universities. The increase of 13.6% in Public Education and 6.2% in Higher Education was mainly due to the State taking action to address the large increase in the school age population. In addition, the State has always had a commitment to maintaining quality education and therefore new funding was provided to implement new educational programs.

- The Social Service and Health expenditure increase of $68,358,000 or 13.8% reflects an increase in Department of Social Services and Department of Corrections expenditures of $26,325,000. Much of the increase was funded out of Federal revenues and included an increase of 8.1% spread fairly even throughout the programs of public assistance and assistance to families. In addition, increases in the Department of Health expenditures of $42,033,000, or 24.8% came mainly from increases in medical assistance and a federally funded project to remove radioactive tailings from a hazardous waste site.

The Transportation and Public Safety expenditures decrease of $23,300,000 or 5.7% was due mainly to decreases in federal highway construction programs of $14,137,000 and State highway construction programs decreases of $6,882,000.

The expenditures for Community and Economic Development decrease of $10,427,000 or 15.4% was attributed to a decrease of $21,142,000 for one-time grants for flood control projects. This decrease was offset somewhat by increases in community and economic development grants of $10,715,000.

The debt service expenditures decrease of $19,821,000 or 21.1% was due primarily to the full repayment of the $25,000,000 1983 Flood bonds in the prior fiscal year.

The capital project expenditures increase of $15,066,000 or 22.2% was related to completion of construction projects financed with the $43,000,000 1983 construction bonds, the health building and the Ogden regional office building were completed from proceeds of the $32,400,000 1984 revenue bonds, and the completion of college and university buildings funded through intergovernmental revenues.

Each fund of the State maintains an equity position which is either restricted by State law or is unreserved and available for future appropriation. The status of the State's General Fund and Special Revenue Funds is noted below.

A. General Fund - The General Fund experienced some revenue shortfalls during the year. The Governor and Legislature took action to reduce budgets by $23,733,000, allowing the Fund to end the year with a modest unreserved balance of $1,808,000. Restricted balances at the end of the year stood at $116,968,000.

B. Special Revenue Funds - These funds are composed of the Uniform School Fund and the Transportation Fund. There was no unreserved ending balance in the Uniform School Fund or the Transportation Fund. Restricted balances at the end of the year amounted to $10,960,000.

Debt Administration

The State continues to enjoy a triple "A" rating from Moody's Investors Service and Standard and Poor's Corporation. The high rating saves the State millions of dollars in interest on general obligation and revenue type bonds. During the year, the State issued $111,085,000 in General Obligation bonds of which $29,950,000 will be used for prison facilities and $81,135,000 was applied to refund previously issued General Obligation bonds and take advantage of lower interest rates.

Cash Management

Cash is controlled by the State Treasurer or by other administrative bodies as determined by law. All cash deposited with the State Treasurer by State entities is managed in pooled investment funds to maximize interest earnings. The Treasurer invests the cash including the cash float in short-term securities and other investments within the provisions of the State Money Management Act (*Utah Code Annotated, 1953*, as amended, Section 51-7). In addition, the State is taking steps to fully implement the "State/Federal Equity Program". This program ensures the State has adequate cash resources to cover Federal programs in a timely manner.

Independent Audit

In compliance with State statute, an annual financial audit of the State entity is completed each year by the Utah State Auditor's Office. Their examination was conducted in accordance with generally accepted auditing standards, and their opinion has been included in this report. In addition, the State coordinates the "Single Audit" effort of all Federal funds through the State Auditor.

Certificate of Achievement

We are proud to announce that the Government Finance Officers Association of the United States and Canada (GFOA), awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Utah for its Comprehensive Annual Financial Report for the year ended June 30, 1985. This was the first year that the State has received this award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. We are committed to this effort and we intend to maintain a highly qualified and professional staff to make this certification possible.

Prospects for the Future

Utah faces several challenges as do other states due to the overall economic conditions in the United States. Recently, Utah's economy has suffered from limited growth and some declines in the State's manufacturing and mineral production industries. On the other hand, Utah is enjoying significant growth in the service sector economy. There are other bright spots in the State's future with the re-opening of Kennecott Copper Mine, expansion at IOMEGA, and new industries such as McDonnell Douglas and AT&T Credit.

The State also faces challenges with increased demands for services due to expanding school age population, the rising water of the Great Salt Lake, needed highway construction and repair, and the general maintenance of the State's environment and our people's health and welfare. These demands for services are being addressed by a responsive Legislature and a commitment from the executive branch of State government and local governments.

The Legislature and Executive Branch have been, and continue to be, conservative with State funds and are committed to operate State government within the limits set by available resources.

Although the State faces challenges, it also has great opportunities for the future. With the great people of this State we can look forward to some very bright prospects in the areas of economic development, education, and maintenance of our comfortable lifestyle.

Conclusion

We hope this report provides useful data in evaluating the financial activity of the State of Utah. We express our appreciation to the State budget and accounting officers throughout State government and the State Auditor's Office for their dedicated efforts in assisting us in the preparation of this report.

Sincerely,

Gordon L. Crabtree

Gordon L. Crabtree, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1985

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

John T. Walsh
President

Jeffrey L. Esser
Executive Director

Financial Highlights

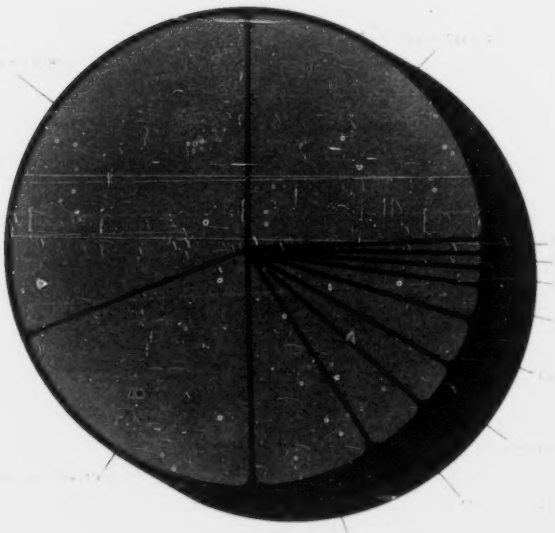
Status of State Funds

Fund Equity Analysis - The following summarizes the Fund Equity position of the three major funds of the State at June 30, 1986:

	General Fund	Uniform School Fund	Trans-portation Fund	Total
Fund Equity Reserved				
Funds Restricted by State Law:				
Water Pollution Control	$ 18,977,000	$	$	$ 18,977,000
Water Resources	1,791,000			1,791,000
Safe Drinking Water	9,593,000			9,593,000
Water Resource Security Enhancement	11,692,000			11,692,000
Agriculture	15,498,000			15,498,000
Employment Security	3,174,000			3,174,000
CED Flood Relief	22,079,000			22,079,000
Wildlife Resources	3,295,000			3,295,000
Parks and Recreation	1,780,000			1,780,000
Medical Assistance	4,409,000			4,409,000
Exxon Oil Overcharge	12,765,000			12,765,000
Advance to Internal Service Funds	4,696,000			4,696,000
Social Services	2,102,000			2,102,000
Minimum School Program		1,075,000		1,075,000
Office of Education		2,093,000		2,093,000
School Building Loans		1,700,000		1,700,000
Area Vocational Centers		1,747,000		1,747,000
Resource Development			1,296,000	1,296,000
Aeronautics			1,322,000	1,322,000
Under Recovered Cost			470,000	470,000
Miscellaneous Others	5,117,000	1,257,000		6,374,000
Total Funds Restricted	116,968,000	7,872,000	3,088,000	127,928,000
Unreserved Fund Equity	1,808,000			1,808,000
Total Fund Equity	$ 118,776,000	$ 7,872,000	$ 3,088,000	$ 129,736,000

Financial Highlights

REVENUES & OTHER SOURCES
Governmental Fund Types Only



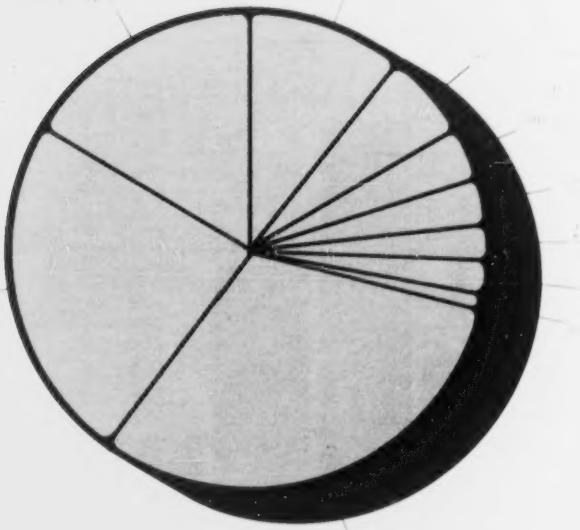
Revenues and Other Sources

	Amount	%
Sales Tax	$ 558,377,000	24.0
Federal Contracts and Grants	715,689,000	30.8
Individual Income Tax	453,537,000	19.5
Other Taxes and Miscellaneous Revenue	196,665,000	8.5
Motor Fuel & Special Fuel Taxes	111,533,000	4.8
Departmental Collections	76,333,000	3.3
Corporation Franchise Tax	84,048,000	3.6
Interest on Investments	25,939,000	1.1
Licenses, Fees and Permits	48,605,000	2.1
Total Revenues	2,270,726,000	97.7
Other Sources(A)		
Liquor Profit Transfer in	19,008,000	0.8
Bond Proceeds	33,249,000	1.5
Total Revenue and Other Sources	$ 2,322,983,000	100.0

(A) Note: Does not include various trust fund and internal service fund revenues which are reflected in the General Fund and Special Revenue Fund as transfers in. Bond proceeds do not include $80,080,000 of bond proceeds that were used to refund other general obligation debt

Financial Highlights

EXPENDITURES BY FUNCTION
Governmental Fund Types Only



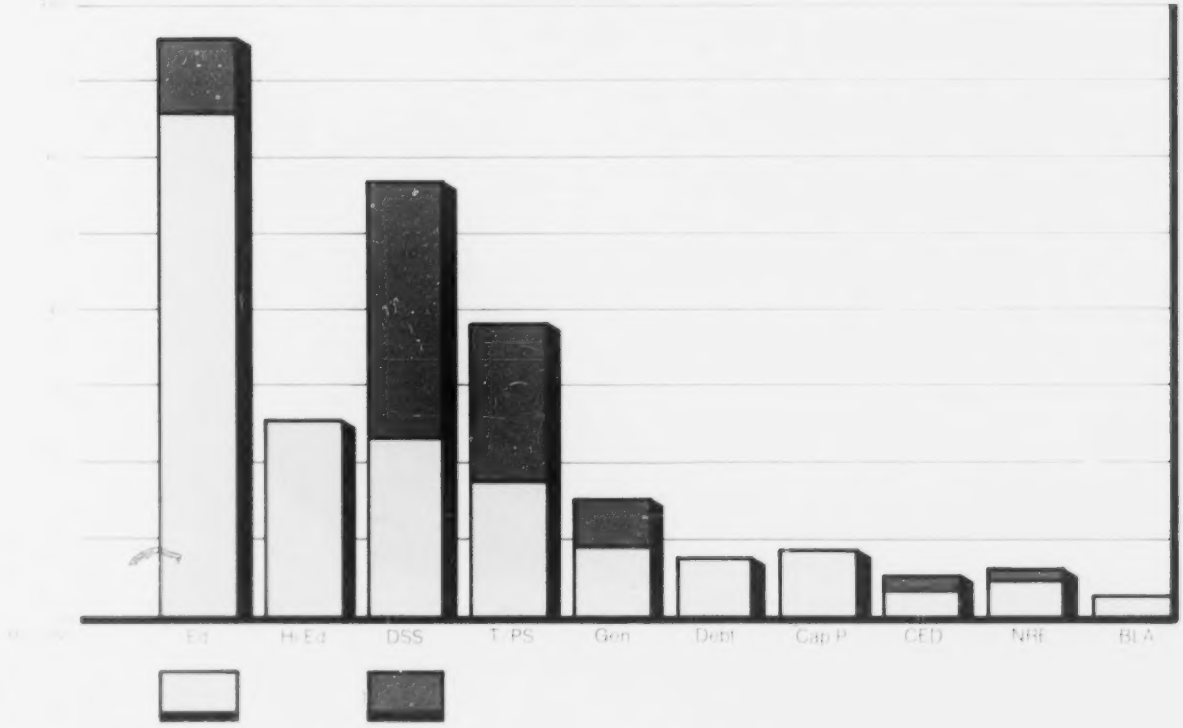
Expenditures by Function

	Amount	%
Education		
Public Education	$ 734,862,000	31.0
Higher Education	254,139,000	10.7
Social Services and Health	563,546,000	23.8
Transportation and Public Safety	386,868,000	16.3
General Government	134,201,000	5.7
Debt Service	74,203,000	3.1
Capital Projects	82,783,000	3.5
Natural Resources	58,669,000	2.5
Community and Economic Development	57,268,000	2.4
Business, Labor, Agriculture	22,777,000	1.0
Total Expenditures(A)	$ 2,369,316,000	100.0

(A) Note: Does not include transfers made to other funds except General Fund appropriated transfers to the colleges and universities which are included as Higher Education expenditures.

Financial Highlights

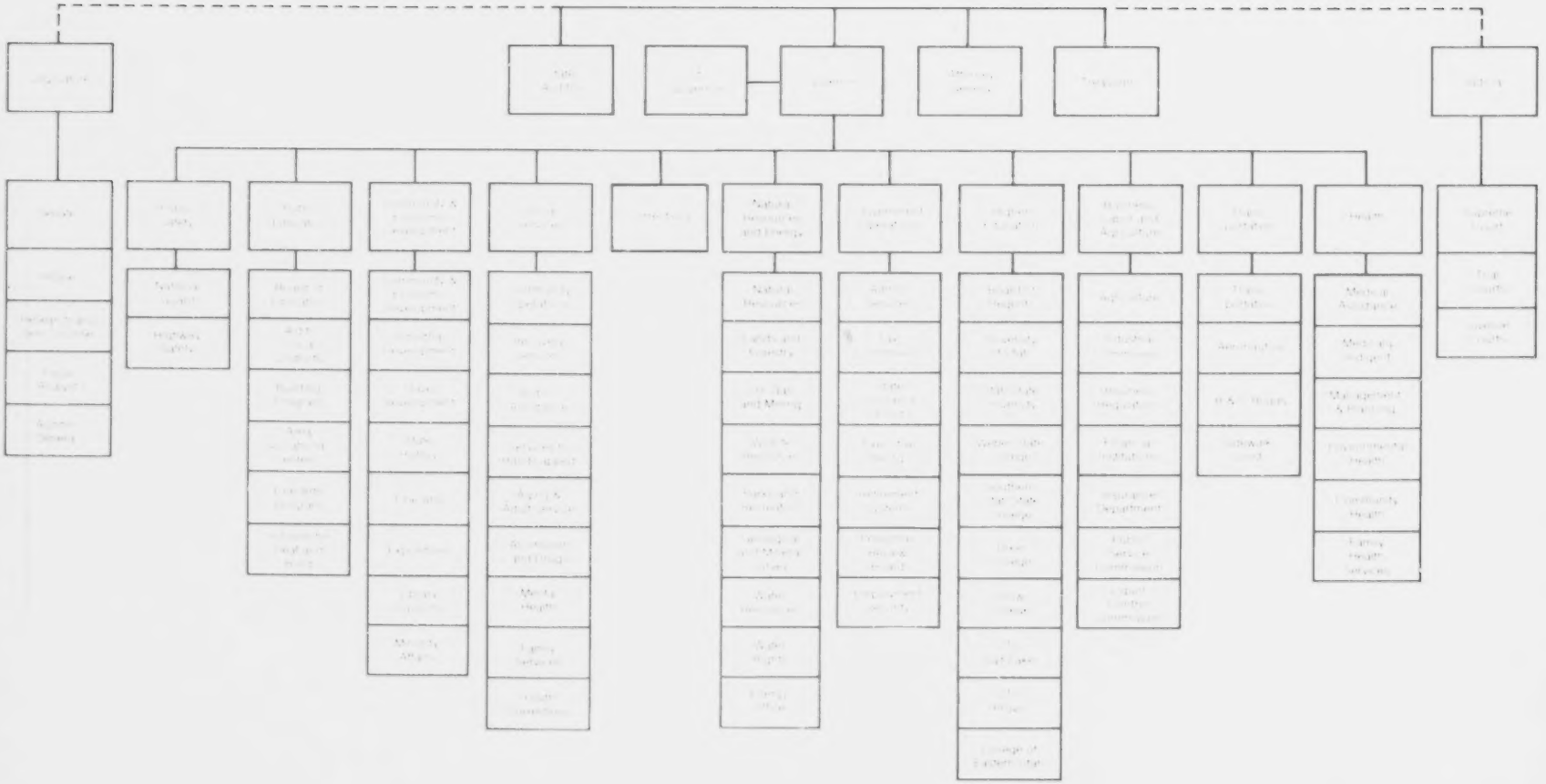
EXPENDITURES BY SOURCE
Governmental Fund Types Only



	Federal Sources (A)	%	State and All Other Sources	%	Total Expenditures All Sources	%
Education						
Public Education	$ 86,017,000	12.2	$ 648,845,000	38.9	$ 734,862,000	31.0
Higher Education	880,000	0.1	253,259,000	15.2	254,139,000	10.7
Social Services/Health	333,193,000	47.4	230,353,000	13.8	563,546,000	23.8
Transportation/Public Safety	206,444,000	29.4	180,424,000	10.8	386,868,000	16.3
General Government	37,961,000	5.4	96,240,000	5.8	134,201,000	5.7
Debt Service	—	—	74,203,000	4.5	74,203,000	3.1
Capital Projects	337,000	0.0	82,446,000	5.0	82,783,000	3.5
Community and Economic Development	26,105,000	3.7	31,163,000	1.9	57,268,000	2.4
Natural Resources	10,196,000	1.5	48,473,000	2.9	58,669,000	2.5
Business, Labor, Agriculture	2,102,000	0.3	20,675,000	1.2	22,777,000	1.0
Total	$ 703,235,000	100.0	$ 1,666,081,000	100.0	$ 2,369,316,000	100.0

(A) $12,454,000 of oil overcharge funds were not expended but were placed in restricted accounts for future use.

State of Utah
Budgetary Organization Chart
As of June 30, 1986



General Purpose Financial Statements

Double O Arch, Arches National Park

Tom L. Allen, CPA
STATE AUDITOR

STATE OF UTAH
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Auston G. Johnson, CPA
DIRECTOR OF LOCAL GOVERNMENTAL ACCOUNTING AND AUDIT

STATE AUDITOR'S REPORT

To the Members of the Legislature
of the State of Utah, and
The Honorable Norman H. Bangerter
Governor, State of Utah

We have examined the general purpose financial statements of the State of Utah, as of and for the year ended June 30, 1986, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the State of Utah, at June 30, 1986, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the changes, with which we concur, as described in Note C to the financial statements.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Utah. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical data, listed in the foregoing table of contents, were not audited by us and, accordingly, we do not express an opinion thereon.

Tom L. Allen
Utah State Auditor

November 6, 1986
(except as noted in Note B)
Salt Lake City, Utah

Combined Balance Sheet – All Fund Types and Account Groups

June 30, 1986 (Expressed in Thousands)

	Governmental Fund Types				Proprietary Funds	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service
Assets						
Cash and Cash Equivalents (Note D)	$ 61,816	$ 17,601	$ 69,858	$ 23,305	$ 289,734	$ 75,867
Other Investments (Note E)	1,109			8,131	161,086	11,596
Receivables						
Accounts	23,067	58,624	1,389	228	33,093	1,283
Notes/Mortgages (Note A)	43,457	1,700			764,178	107,730
Accrued Interest	293		24	135	23,365	3,031
Unbilled (Note A)		9,134				
Due From Other Funds (Note F)	41,535	2,479	4,567	70	1,129	10,104
Advance To Other Funds	3,696					
Inventories (Note A)		12,990			11,445	2,364
Prepaid Expenses	8,711				431	587
Deferred Charges		170			16,838	
Land (Note A)					1,617	
Building and Improvements					3,958	4,571
Machinery and Equipment					4,951	37,742
Accumulated Depreciation					(3,833)	(19,731)
Construction in Progress						46
Amount Available in Debt Service Fund						
Resources to be Provided in Future Years For:						
Retirement of General Obligation Bonds						
Other General Long Term Debt						
Total Assets	$ 294,704	$ 98,647	$ 79,838	$ 32,129	$ 1,286,672	$ 325,017
Liabilities and Fund Equity						
Liabilities						
Vouchers Payable	$ 51,880	$ 30,849	$	$	$ 9,066	$ 4,760
Contracts Payable		2,080	6,249			2,864
Accrued Liabilities	12,802	3,508		8,268	47,146	1,137
Deposits Held in Custody					17,255	
Due to Other Funds (Note F)	17,151	31,995	575		2,810	10,344
Due to Other Individuals or Groups						
Due to Other Taxing Units						
Deferred Revenue (Note A)	34,075	9,809			6,709	93
Advance From Other Funds						3,696
Policy Claim Liabilities (Note A)					75,431	21,592
Notes Payable (Note H)					157,909	87
General Bonds Payable (Note H)						
Revenue Bonds Payable (Note H)					639,521	
Lease Obligations						
Total Liabilities	115,908	87,887	6,824	8,268	1,117,789	44,573
Fund Equity						
Contributed Working Capital					31,141	139,781
Investment in Fixed Assets						
Retained Earnings					137,742	140,663
Fund Balances						
Reserved (Note K & Q)	116,968	10,760	45,331			
Unreserved						
Designated for General Obligation Bonds				8,366		
Designated for Revenue Bonds				15,371		
Designated for Construction Projects			27,683			
Designated for Colleges and Universities						
Undesignated	1,828					
Total Fund Equity	118,796	10,760	73,014	23,737	168,883	280,444
Total Liabilities and Fund Equity	$ 234,704	$ 98,647	$ 79,838	$ 32,129	$ 1,286,672	$ 325,017

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type	Account Groups			Total (Memorandum Only)	Total (Memorandum Only)
Trust and Agency	General Fixed Assets	General Long-term Obligations	College and University Funds	June 30, 1986	June 30, 1985 (as Restated Note C)
$ 850,556	$	$	$ 90,366	$ 1,475,072	$ 1,364,890
1,905,169			145,686	2,232,696	2,052,016
50,606			55,776	256,953	243,577
			34,942	1,036,149	912,526
5,462			3,742	38,844	42,878
				9,134	32,254
11,931			16,199	88,154	100,925
				4,696	3,827
			11,763	37,654	34,793
			3,328	12,687	3,786
				16,879	16,947
5,360	68,327		17,183	92,512	82,896
2,660	277,078		582,787	871,803	774,475
2,544	127,061		282,893	455,123	401,959
(2,036)				(21,610)	(15,234)
	43,712		32,992	76,744	71,621
		23,837		23,837	48,829
		209,509		209,509	221,981
		99,384		99,384	82,055
$ 2,832,252	$ 516,178	$ 332,730	$ 1,277,657	$ 7,016,220	$ 6,477,001
$ 76,784	$	$	$ 29,624	159,877	$ 144,633
		9,199	2,793	23,221	17,743
			42,142	116,133	98,820
122			1,473	14,350	10,718
3,868			15,389	88,154	111,381
18,824				18,824	10,456
368,772				368,772	289,967
257			7,422	57,915	70,493
				4,696	3,827
55,227				148,450	110,474
			4,471	131,787	115,161
		217,975		217,975	229,715
		62,925	67,885	970,331	982,139
		42,631		42,631	40,383
473,854	0	332,730	171,199	2,363,116	2,235,910
				256,328	202,613
	516,178		850,030	1,366,208	1,216,140
				189,152	183,702
2,358,398			140,360	2,672,018	2,408,319
				8,466	7,735
				15,371	41,094
				27,685	47,680
			116,068	116,068	114,646
				1,808	19,762
2,358,398	516,178	0	1,106,458	4,653,104	4,241,091
$ 2,832,252	$ 516,178	$ 332,730	$ 1,277,657	$ 7,016,220	$ 6,477,001

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
Revenues				
Unrestricted				
Sales Tax	$ 542,353	$	$	$
Individual Income Tax		453,537		
Corporate Franchise Tax		84,938		
Motor and Special Fuel Tax		111,533		
Licenses, Fees and Permits	13,941	9,467		
Interest on Investments	10,239	11,277		886
Miscellaneous Taxes and Other	104,449	33,341		
Total Unrestricted	671,982	706,248		886
Restricted				
Restricted Sales Tax	15,626			
Federal Contracts and Grants	431,610	269,543	137	
Departmental Collections	66,816	9,512		
Public Education Dedicated Credit				
Aeronautics		13,361		
Federal Mineral Lease	12,576			
Intergovernmental Revenues			19,410	
Interest on Investments			1,801	7,430
Premiums/Other Collections				
Miscellaneous	4,423	10,874		387
Total Restricted	651,053	417,514	21,134	7,817
Total Revenues	1,323,035	1,123,762	21,134	8,703
Expenditures				
Current				
General Government	134,201			
Social Services	307,731			
Corrections	44,441			
Health	211,374			
Higher Education	7,063			
Natural Resources	58,669			
Business, Labor and Agriculture	22,777			
Community and Economic Development	57,266			
Unemployment Claims				
Public Education		734,963		
Transportation and Public Safety	43,108	44,864		
Capital Outlay			82,783	
Debt Service				
Principal Retirement				54,630
Interest and Other Charges	3,677			15,306
Total Expenditures	890,309	778,772	82,783	70,029
Excess Revenues Over (Under) Expenditures	432,726	(54,990)	(61,649)	(61,326)
Other Financing Sources (Uses)				
Proceeds of Revenue Bonds/Contracts	1,743			
Proceeds of General Obligation Bonds			91,000	60,080
Payment to Refunded Bond Escrow Agent				(54,630)
Operating Transfers In (Note M)	80,567	104,150	30,136	64,713
Operating Transfers (Out) (Note M)	(419,251)	(54,960)	(2,260)	(12,554)
Total Other Financing Sources (Uses)	(336,941)	49,190	118,876	57,609
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	95,785	(5,800)	57,227	(3,717)
Beginning Fund Balances	156,134	56,109	87,349	19,879
Adjustments To Beginning Fund Balances (Note C)				
Beginning Fund Balances as Adjusted	156,134	56,109	87,349	19,879
Residual Equity Transfers (Note M)	(33,529)			
Ending Fund Balances	$ 218,390	$ 50,309	$ 144,576	$ 16,162

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type	Total (Memorandum Only)	Total (Memorandum Only)
Expendable Trust	June 30, 1986	June 30, 1985 (as Restated Note C)
$	$ 542,751	$ 539,621
	451,537	434,873
	84,048	65,918
	111,533	107,128
	48,605	46,723
	22,154	39,879
	115,590	114,233
0	1,378,218	1,348,375
	15,626	15,486
4,697	720,386	641,574
	76,333	65,499
	0	59
	13,381	13,648
	32,578	34,190
	19,432	11,340
16,741	20,526	14,465
110,539	110,539	142,025
8,603	24,287	30,851
140,580	1,033,088	969,137
140,580	2,411,306	2,317,512
2,588	136,789	120,748
27,231	334,962	286,564
	44,441	40,397
	211,374	169,341
	7,083	4,445
	58,669	50,585
	22,777	21,858
4,702	61,970	73,170
101,319	101,319	89,738
576	735,438	647,647
	386,868	410,168
	82,783	67,717
	54,630	71,535
	19,573	22,489
136,416	2,258,676	2,086,402
4,164	152,630	231,110
	3,749	32,400
	109,580	10,000
	(84,600)	0
	963,971	298,445
(1,378)	(480,837)	(504,951)
(1,378)	(188,137)	(163,806)
2,786	(35,507)	67,394
116,673	326,080	331,195
	0	95,767
116,673	326,080	906,962
	(43,029)	(9,182)
$ 119,459	$ 146,044	$ 429,084

Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis): General Fund, Special Revenue Funds and Debt Service Fund

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Unrestricted:			
Sales Tax	$ 558,000	$ 542,853	$ (15,147)
Individual Income Tax			0
Corporate Franchise Tax			0
Motor and Special Fuel Tax			0
Licenses, Fees and Permits	14,139	13,952	(187)
Interest on Investments	11,093	10,239	(854)
Miscellaneous Taxes and Other	104,757	104,353	(404)
Total Unrestricted Revenues	687,989	671,397	(16,592)
Restricted:			
Restricted Sales Tax	16,000	15,626	(374)
Federal Contracts and Grants	433,945	433,945	0
Departmental Collections	87,882	98,112	10,230
Higher Education/Public Education Dedicated Credits	61,721	61,721	0
Aeronautics			0
Federal Mineral Lease	34,500	32,578	(1,922)
Interest on Investments			0
Miscellaneous	51,381	53,019	1,638
Total Restricted Revenues	685,429	695,001	9,572
Total Revenues	1,373,418	1,366,398	(7,020)
Intrafund Eliminations		(144,063)	
Total Revenues GAAP Basis		1,222,335	
Expenditures:			
Current:			
General Government	142,413	139,274	3,139
Social Services	330,619	326,738	3,881
Corrections	45,555	44,628	927
Health	269,673	264,790	4,883
Higher Education	318,890	318,790	100
Natural Resources	64,536	59,283	5,253
Business, Labor and Agriculture	24,172	22,890	1,282
Community and Economic Development	79,802	57,530	22,272
Public Education			0
Transportation and Public Safety	44,931	43,748	1,183
Debt Service:			
Principal Retirement			0
Interest Charges	3,677	3,677	0
Total Expenditures	1,324,268	1,281,348	42,920
Higher Education Appropriated Expenditures included as Transfers	(247,056)	(247,056)	
Intrafund Eliminations		(144,063)	
Total Expenditures GAAP Basis		890,229	
Excess of Revenues Over (Under) Expenditures	296,206	332,106	35,900
Other Financing Sources (Uses):			
Proceeds of Revenue Bonds/Contracts	3,749	3,749	0
Proceeds of General Obligation Bonds	–	–	0
Payment to Refunded Bond Escrow Agent			0
Operating Transfers In (Note M)	80,567	80,567	0
Operating Transfers (Out) (Note M)	(410,251)	(410,251)	0
Total Other Financing Sources (Uses)	(325,935)	(325,935)	0
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(29,729)	6,171	35,900
Beginning Fund Balance	156,134	156,134	0
Residual Equity Transfers (Note M)	(43,529)	(43,529)	0
Ending Fund Balance	$ 82,876	$ 118,776	$ 35,900

The accompanying notes are an integral part of the financial statements.

Special Revenue Funds			Debt Service Fund (General Obligation Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$	$	$ 0	$	$	$ 0
469.000	453.537	(15.463)			0
86.700	84.048	(2.652)			0
113.800	111.533	(2.267)			0
35.000	34.662	(338)			0
18.000	11.227	(6.773)			0
10.500	11.245	745	688	688	0
733.000	706.252	(26.748)	688	688	0
		0			0
283.898	293.898	0			0
9.430	9.517	87			0
		0			0
13.155	13.381	226			0
		0			0
		0	2.420	2.420	0
12.252	12.110	(142)	387	387	0
318.735	318.906	171	2.807	2.807	0
1.051.735	1.025.158	(26.577)	3.495	3.495	0
	(1.396)				
	1.023.762			3.495	
		0			0
		0			0
		0			0
		0			0
		0			0
		0			0
		0			0
		0			0
741.595	736.258	5.337			0
381.519	343.860	37.659			0
		0	54.630	54.630	0
		0	16.276	15.896	380
1.123.114	1.080.118	42.996	70.906	70.526	380
	(1.396)				
	1.078.722			70.526	
(71.379)	(54.960)	16.419	(67.411)	(67.031)	380
		0			0
		0	80.080	80.080	0
		0	(84.600)	(84.600)	0
104.185	104.185	0	59.113	59.113	0
(54.365)	(54.365)	0	(12.554)	(12.554)	0
49.820	49.820	0	42.039	42.039	0
(21.559)	(5.140)	16.419	(25.372)	(24.992)	380
		0	48.829	48.829	0
16.100	16.100	0			0
$ (5.459)	$ 10.960	$ 16.419	$ 23.457	$ 23.837	$ 380

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Proprietary Funds		Fiduciary Funds	
	Enterprise	Internal Service	Non-Expendable Trust	Pension Trust
Operating Revenues:				
Interest on Investments	$ 35,159	$ 8,145	$ —	$ 205,704
Liquor				
Sales (Net of $12,738 Sales and School Lunch Tax)	68,677	—	—	
Permits, Licenses and Fees	309	—	—	
Charges for Services/Premiums	49,592	83,218	—	
Interest on Mortgages/Notes	64,147	—	—	
Member Contributions	—	—	—	157,851
Miscellaneous	5,028	—	845	1,918
Total Operating Revenues	222,912	91,363	845	365,473
Cost of Goods Sold	45,327	—	—	
Gross Profit	177,585	91,363	845	365,473
Operating Expenses:				
Administrative	17,191	25,131	—	
Rentals and Leases	632	2,643	—	
Maintenance	239	5,287	—	
Interest	86,195	381	—	
Depreciation	969	5,949	—	401
Benefit Claims	39,811	38,256	—	63,844
Contribution Refunds	—	—	—	22,210
Supplies and Other Miscellaneous	905	8,794	—	—
Total Operating Expenses	145,942	86,441	0	86,455
Total Operating Income	31,643	4,922	845	279,018
Non-Operating Income (Expenses):				
Interest on Investments	11,001	—	—	—
Gain on Investments	243	—	—	—
Other Non-Operating Sources	(2)	—	—	—
Loss on Sale of Fixed Assets	(8)	(271)	—	—
Total Non-Operating Income (Expenses)	11,234	(271)	0	0
Income Before Operating Transfers	42,877	4,651	845	279,018
Other Financing Sources (Uses):				
Operating Transfers Net (Note M)	(22,727)	(1,271)	—	(6,192)
Net Income	20,150	3,380	845	272,826
Beginning Retained Earnings/Fund Balances	142,950	43,261	21,095	1,972,197
Adjustment to Beginning Retained Earnings (Note C)	—	(2,509)	—	(28,024)
Beginning Retained Earnings/Fund Balances as Adjusted	142,950	40,752	21,095	1,944,173
Ending Retained Earnings/Fund Balances Before Dividends	163,100	44,132	21,940	2,216,999
Dividends Declared	(15,157)	—	—	—
Residual Equity Transfers (Note M)	—	(2,923)	—	—
Ending Retained Earnings/Fund Balances	$ 147,943	$ 41,209	$ 21,940	$ 2,216,999

The accompanying notes are an integral part of the financial statements.

Combined Statement of Changes in Financial Position – All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Proprietary Funds		Fiduciary Funds	
	Enterprise	Internal Service	Non-Expendable Trust	Pension Trust
Sources of Working Capital:				
Operations				
Net Income	$ 20,150	$ 3,380	$ 845	$ 272,826
Items Not Requiring Working Capital				
Depreciation	969	5,949		401
Amortization of Deferred Charges/Revenue	959			
Loss on Disposition of Property and Equipment	8	271		
Total Sources from Operations	22,086	9,600	845	273,227
Increase in Advance from Other Funds		5,377		
Increase in Policy Claim Liabilities	7,977	1,910		
Additions to Long-Term Debt	28,764			
Increase in Contributed Working Capital (net of $2,593 accumulated depreciation transferred in from General Fixed Assets Account Group)	6,103	48,424		
Decrease in Other Investments	288		5,636	
Decrease in Mortgages/Notes Receivable	40,329			
Proceeds on Disposal of Property and Equipment	23	993		
Decrease in Deferred Charges	283			
Total Sources of Working Capital	105,853	66,304	6,481	273,227
Uses of Working Capital:				
Net Policyholder Dividend Declared	15,157			
Increase in Other Investments	9,057	5,444		138,903
Increase in Mortgages/Notes Receivable	139,550	17,472		
Acquisition of Property and Equipment (net of $2,593 accumulated depreciation transferred in from General Fixed Assets Account Group)	916	14,045	104	478
Increase in Deferred Charges	755			
Decrease in Advance from Other Funds		4,508		
Decrease in Policy Claim Liabilities		37		
Decrease in Notes Payable		14		
Payments on Long-Term Debt	31,530	47		
Residual Equity Transfers Out		2,923		
Decrease in Contributed Working Capital	812			
Total Uses of Working Capital	197,777	44,490	104	139,381
Net Increase (Decrease) in Working Capital	$ (91,924)	$ 21,814	$ 6,377	$ 133,846
Elements of Net Increase (Decrease) in Working Capital:				
Cash and Cash Equivalents	$ (74,911)	$ 28,689	$ 5,890	$ 138,697
Accounts Receivable: Due from Other Funds	2,868	(1,152)	482	4,825
Notes Receivable Current Portion	(11)	661		
Accrued Interest	(1,947)	1,255		
Inventories	1,416	(322)		
Prepaid Expenses	304	(162)		
Vouchers Pay./Acc. Liab./Due to Other Funds	(9,720)	(3,246)	5	(9,676)
Deposits in Custody Current Portion	(2,271)	(3,921)		
Deferred Revenue	3,583	(*)		
Current Portion of Long-Term Obligations	(11,235)	13		
Net Increase (Decrease) in Working Capital	$ (91,924)	$ 21,814	$ 6,377	$ 133,846

The accompanying notes are an integral part of the financial statements.

Combined Statement of Changes in Fund Balance – College and University Fund Types

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Current Funds				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment Funds	Unexpended	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant
Revenues and Other Additions								
Educational and General Revenues	$ 142,519	$	$	$	$	$	$	$
Auxiliary Enterprises Revenues	66,595							
Sales and Services of Hospital	101,627							
Tuition and Fees - Restricted		4,878			2,202	2,615	589	
Private Gifts, Grants and Contracts		21,608	104	5,317	3,865	47	76	6,58
Governmental Grants and Contracts		132,905	1,927		1,172			
Federal Appropriations		4,063			88			1,5
Investments and Endowment Income		6,259	78	1,132	3,097	524	1,116	
Interest on Loans Receivable			693	13				
Expended for Plant Facilities (including $27,330 from current funds)								72,7
Bond Proceeds							3,490	
Retirement of Indebtedness								7,4
Other		4,338	113		1,289	86	312	5,5
Total Revenues	310,741	174,051	2,915	6,457	11,713	3,282	6,583	93,7
Expenditures and Other Deductions								
Educational and General Expenditures	335,140	184,634	9					
Auxiliary Enterprises	65,532	497						
Hospital Expenditures	95,300							
Indirect Costs Recovered		19,015	30					
Refunded to Grantors		30	15					
Loan Cancellations and Write-Offs			1,796					
Administrative and Collection Costs			6					
Expended for Plant Facilities (including noncapitalized expenditures of $597)					38,519	6,923		
Retirement of Indebtedness							7,400	
Interest on Indebtedness					108		5,354	
Increase in Bonded Debt								4,2
Disposal of Plant Facilities								11,1
Other	386	57	344	19	470	17	535	
Total Expenditures and Other Deductions	496,358	204,233	2,200	19	39,097	6,940	13,289	56,0
Transfers Among Funds-Additions/ (Deductions)								
Mandatory Transfers, net	(6,470)	1,042	127	(118)	(3,609)	(103)	8,964	
Nonmandatory Transfers, net	(10,250)	(3,039)	(36)	135	16,959	286	3,835	(7,9
Operating Transfers From General Fund	208,935	35,455	71		2,596			
Total Transfers	192,215	33,488	162	17	15,946	183	12,799	(7,9
Net Increase in Fund Equity Before Extraordinary Item	6,598	3,306	877	6,455	(11,438)	(3,475)	6,093	68,4
Extraordinary Item - Gain/Loss on Early Extinguishment of Debt (Note N)							(271)	(1,4
Net Increase in Fund Equity	6,598	3,306	877	6,455	(11,438)	(3,475)	5,822	67,0
Beginning Fund Equity	64,394	38,002	33,902	45,421	45,048	7,893	13,024	777,7
Ending Fund Equity	$ 70,992	$ 41,308	$ 34,779	$ 51,876	$ 33,609	$ 4,418	$ 18,846	$ 850,8

The accompanying notes are an integral part of the financial statements.

Combined Statement of Current Funds Revenues, Expenditures and Other Changes – College and Universities

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

	Total Unrestricted	Total Restricted	Total Current Funds
Revenues:			
Educational and General:			
Tuition and Fees	$ 62,687	$ 4,931	$ 67,618
Federal Appropriations	50	3,579	3,629
Governmental Grants and Contracts	21,727	109,925	131,652
Private Gifts, Grants and Contracts	992	21,182	22,174
Investment and Endowment Income	9,061	5,493	14,554
Sales and Services of Educational Departments	42,474	1,843	44,317
Other	5,528	3,087	8,615
Total Educational and General	142,519	150,040	292,559
Sales and Services of Hospital	101,627	—	101,627
Auxiliary Enterprises Revenues	66,595	—	66,595
Total Revenues	310,741	150,040	460,781
Expenditures and Mandatory Transfers:			
Educational and General:			
Instruction	157,937	34,551	192,488
Research	4,890	79,352	84,242
Public Service	28,333	29,931	58,264
Academic Support	38,071	5,098	43,169
Student Services	17,284	3,429	20,713
Institution Support	39,205	3,746	42,951
Operation and Maintenance of Plant	42,255	4,053	46,308
Student Aid	7,165	24,474	31,639
Total Educational and General Expenditures	335,140	184,634	519,774
Hospital Expenditures	95,300	—	95,300
Auxiliary Enterprises Expenditures	65,532	497	66,029
Other	302	184	486
Mandatory Transfers, net Out/(In)	6,470	(1,042)	5,428
Total Expenditures and Mandatory Transfers	502,744	184,273	687,017
Other Transfers and Additions/(Deductions):			
Excess of Restricted Receipts Over/(Under) Transfers to Revenues	—	5,123	5,123
Refunded to Grantors	—	(30)	(30)
Nonmandatory Transfers, net	(10,250)	(3,009)	(13,259)
Operating Transfers from General Fund	208,935	35,455	244,390
Other	(84)	—	(84)
Total Other Transfers and Additions/(Deductions)	198,601	37,539	236,140
Net Increase in Fund Equity	$ 6,598	$ 3,306	$ 9,904

The accompanying notes are an integral part of the financial statements.

Notes to the Combined Financial Statements

Year Ended June 30, 1986

FINANCIAL STATEMENTS AND DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

1. Financial Statements

The accompanying financial statements of the State of Utah present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the changes in financial position of the proprietary and similar trust funds. The financial statements are presented as of June 30, 1986, and for the year then ended. The financial statements include the various departments, agencies and other organizational units governed by the Utah State Legislature and/or Constitutional Officers of the State of Utah.

A total column (memorandum only) has been added to the statements. The total column includes interfund activity and is not comparable to a consolidated financial statement, but is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

2. Governmental Fund Types

The financial activities are recorded in individual funds classified by type and described below, each of which is deemed to be a separate accounting entity. The financial position and operations of each fund are accounted for in separate self-balancing accounts which represent the fund's assets, liabilities, equities, revenues and expenditures.

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in the General Fund. These services include, among others, general government, public safety, judicial, human resources, licensing and regulation, and education. Resources obtained from federal grants and used for services provided by General Fund entities, consistent with applicable legal requirements, are recorded in the General Fund.

Special Revenue Funds (Uniform School Fund and Transportation Fund):

Transactions related to resources obtained, the uses of which are restricted to specific purposes, are accounted for in Special Revenue Funds. Special Revenue Funds include transactions related to the Office of Public Education and the Transportation Department.

Capital Projects Fund:

Transactions related to resources obtained and used for the acquisition, construction or improvement of certain capital facilities are accounted for in the Capital Projects Fund. Such resources are derived principally from proceeds of general obligation bond issues, revenue bonds, federal grants and operating transfers from the State's General Fund.

The State enters into long-term contracts for the construction of major capital projects and records the commitments as encumbrances to the extent funds are available. (See Note Q).

Debt Service Fund:

Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations and on revenue bonds which are funded from governmental fund operations, are accounted for in the Debt Service Fund.

3. Proprietary Fund Types

Enterprise Funds:

The individual enterprise funds account for operations similar to a private business enterprise. The State's intent is that the Alcoholic Beverage Control Commission recover its costs of operation plus a profit through the sale of liquor products. All profits are transferred to the General Fund. The Utah Housing Finance Agency is a corporate body created to provide mortgage money for low and moderate income families and is operated using bond proceeds and interest revenues from the mortgages. The Worker's Compensation Fund provides worker's compensation insurance for public and private employers in the State and is operated using employer premiums. The Student Assistance Programs were established by the State Board of Regents to provide student loans and loan guarantees and are operated using loan fees, interest revenues and federal administrative allowances. The Blind Industries is a sheltered workshop that provides employment, evaluation, and training for visually impaired or blind adults. Financing is provided from the sale of products and from State appropriations. The Utah Technology Finance Corporation is a corporate body created to encourage and assist in the development of technological and small businesses in the State. The corporation is operated from grants, earnings, and State appropriations. The Utah Correctional Industries Fund was created to provide employment opportunities and training of prisoners at the Utah State Prison. The fund is to be self supporting and is operated through the sale of goods produced.

Internal Service Funds:

A variety of independent operations comprise the Internal Service Funds, of which the Water Resources and Community Impact Loan Funds are the largest. The Water Resources Loan Fund provides loans to local governments, water districts and other entities for the purpose of upgrading water storage facilities and related structures. The Community Impact Loan Fund provides loans to local governments to alleviate social, economic, and public financial impacts resulting from the development of the State's natural resources. (Grants authorized by the Community Impact Loan Board amounting to $7,806,000 were transferred to and expended in the General Fund.) The other internal service operations provide goods and/or services to other State departments and political sub-divisions on a cost reimbursement basis.

4. Fiduciary Fund Types

Transactions related to assets held by the State in a trust or agency capacity are accounted for in the fiduciary fund types. Fiduciary funds are comprised of:

a. Pension Trust Funds which account for the transactions, assets, liabilities and fund equity of the State Retirement Systems.

Notes to the Combined Financial Statements

Year Ended June 30, 1986

b. The Non-Expendable Trust Fund which accounts for the transactions, assets, liabilities and fund equity of the State Land Board. The Land Board Fund was created from Federal Enabling Act land grants and the sale of such lands. The earnings of the fund are primarily used to support education in the State.

c. Expendable Trust Funds which account for assets received and expended by the State as trustee and include the following funds:

Unemployment Compensation, Second Injury, Indian Affairs, and miscellaneous small deposits held in a trustee capacity that are consolidated into the Restricted Trust Fund.

d. Agency Funds which account for assets held by the State as an agent for other governmental units, other organizations, or individuals.

5. Account Groups

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for land, buildings, and equipment of the governmental type funds. Fixed assets of the trust funds, proprietary type funds, and colleges and universities are accounted for separately in their respective funds.

General Long-Term Obligation Account Group

Unmatured long-term obligations of the governmental type funds related to general government bonds, revenue bonds, capital lease obligations and leave obligations are reflected in the General Long-Term Obligation Account Group.

6. College and University Funds

The College and University Funds include:

a. Current Funds which account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized only in accordance with externally restricted purposes.

b. Loan, Endowment, and Agency Funds which account for assets in which the universities act in a fiduciary capacity.

c. Plant Funds which account for institutional property acquisition, renewal, replacement and debt service.

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. All Funds

Grants

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables when entitlement occurs. All Federal reimbursement type grants in governmental funds are recorded as receivables when the related expenditures are incurred.

Retirement and Employee Benefit Costs

Full time State employees participate in the State retirement system. Contributions collected for the State retirement system, as well as the retirement benefits paid are accounted for in the Pension Trust Funds. All costs for pension, health and Federal Social Security benefits in governmental fund types are reported as personnel service expenditures in the appropriate fund. Benefit costs applicable to proprietary fund types are reflected as expenses in the proprietary funds.

Interfund Transactions

The State basically has three types of interfund transactions, as follows:

a. Services rendered and employee benefit contributions. These transactions are accounted for as revenues, expenditures or expenses in the funds involved.

b. Operating appropriations/subsidies. These are accounted for as operating transfers in the funds involved.

c. Equity contributions. These are accounted for as equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund contributed capital).

The composition of the State's interfund receivables and payables at June 30, 1986 is presented in Note F.

Intrafund Transactions

Intrafund transfers, as a result of contracts between departments and/or agencies, are considered expenditures by the contractor and revenues by the contractee for budgetary purposes. However, in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, all intrafund revenues and expenditures have been eliminated. The amount of the eliminations by fund is reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

2. Governmental Fund Types, Expendable Trust Funds and Agency Funds

Basis of Accounting

All governmental funds and expendable trust funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and related current assets are recognized when measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Principal revenue sources susceptible to accrual under the modified accrual basis of accounting include federal revenues, departmental collections, and interest on investments. Expenditures are recorded when the fund liabilities are incurred. Modifications to the accrual basis of accounting include:

- Sales taxes, income taxes, and other self assessed taxes are recognized as revenues in the period in which they

are received. For tax returns filed by June 30, 1986, a liability has been recorded for tax refunds due.

- Inventories of materials and supplies in the General Fund and Special Revenue - Uniform School Fund are recorded as expenditures when received. In the Special Revenue - Transportation Fund, these inventories are recorded as expenditures when utilized.
- Prepayments usually are not recorded except for prepayments to providers for Medicaid under the federal Advance Payment Program.
- Employees' vested annual leave, sick leave and compensatory leave are recorded as expenditures when utilized. The amount of accumulated annual leave and compensatory leave unpaid at June 30, 1986 has been reported in the General Long-Term Obligation Account Group. (See Note R)
- Interest on long-term obligations reflected in the General Long-Term Obligation Account Group is recognized in the debt service funds when it becomes payable.

Accounts Receivable

Accounts Receivable are mainly due from the Federal Government and collectibility is reasonably assured. Therefore, no allowance for uncollectible accounts has been established.

Receivables Unbilled

The receivables unbilled represent an amount equal to costs incurred by the Department of Transportation on highway construction projects which are eligible for reimbursement from the Federal government upon modification and approval of the related project contracts. When Federal funds are available for recovery of the costs, the receivables will be billed.

Notes Receivable

The notes receivable are primarily long-term loans to local governments. The interest rates on the loans vary but are generally lower than market rates and, in some cases, are non-interest bearing. No provisions for loan losses have been provided.

Investments

Investments are stated at cost. (See Notes D & E)

Inventory

Inventory for the Special Revenue-Transportation Fund is valued at average cost.

Capital Outlays

Principally all capital expenditures for the acquisition or construction of State fixed assets are reported as capital outlays in the Capital Projects Fund. Interest expense during construction of capital facilities is considered immaterial and is, therefore, not capitalized.

Deferred Revenue

General Fund deferred revenue is principally federal funds received in advance of the authorized expenditure.

Special Revenue Funds deferred revenues include amounts expended by the Transportation Fund on federally participating construction projects which are eligible for reimbursement but the funds are not available until a modified contract is submitted and approved. These amounts will be billed to the Federal government and recorded as revenue in future periods as funds become available.

Deposits

Construction contracts let by the Department of Transportation (DOT) usually include provisions to withhold a percentage of the payments until the project reaches a certain stage of completion. Under Utah law, DOT is allowed to deposit these funds in an escrow account at a bank or institution selected by the contractor. At June 30, 1986, $10,934,000 was being held in escrow to defease the liability to the State. Therefore, these escrow funds are not included in the Financial Statements.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the Capital Projects Fund as detailed in Note Q. Encumbrances outstanding at year end for purchase orders in the General Fund and Special Revenue Funds which were ordered before May 1 and whose delivery was expected before fiscal year end are reported as reservations of fund balances.

3. Enterprise, Internal Service, Non-Expendable Trust, Pension Trust

Basis of Accounting

The accounts of the Enterprise, Internal Service, Non-Expendable Trust, and Pension Trust Funds are reported using the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred. Also, the funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Reported fund equity (net total assets) is segregated into contributed working capital and retained earnings components.

Investments (See Notes D & E)

Investments in short term interest bearing securities such as Time Certificates of Deposit are stated at cost which approximates market. Bond investments of the funds are stated at amortized cost.

Equity securities (stocks) are stated at cost which approximates market at the balance sheet date.

All other investments are recorded at cost net of any premium or discount.

Notes/Mortgages Receivable

Notes and mortgages have interest rates as established by law. These rates vary by issue but are usually lower than the going market rates and in the case of some of the Internal Service Funds, notes receivable are non-interest bearing. Student loans in the Student Assistance Programs of the Enterprise Fund are

Notes to the Combined Financial Statements

Year Ended June 30, 1986

guaranteed by governmental agencies. In addition, mortgages receivable of the Utah Housing Finance Agency are insured against loss or are guaranteed by private mortgage companies or governmental agencies. Because of the guarantees, no provisions for possible loan losses have been provided.

Inventory

Inventory for the Enterprise (Alcoholic Beverage Control) Fund is valued at replacement cost which approximates lower of cost or market on the First-In-First-Out (FIFO) basis. Inventory for the Internal Service Funds is valued at lower of cost (weighted average method) or market.

Deferred Charges

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding method, which approximates the interest method.

Buildings and Equipment

Significant buildings and equipment of the Funds are stated at cost and are depreciated on a straight line basis over their estimated useful lives which extends to 40 years on buildings and 3-12 years on equipment. Automotive equipment in the Internal Service Fund is depreciated using a "units-of-production" method based on mileage.

Land

Land is stated at cost. However, in the Non-Expendable Trust Funds the amount for land represents the unpaid mortgage contracts receivable on lands that were repossessed by the State Land Board. In addition, lands owned by the State totaling 3,751,847 acres which were acquired under the Federal *Enabling Act* of 1894 are included for reporting purposes at the assigned value of approximately one dollar per acre.

Policy Claim Liabilities

The liabilities are for self-insurance claims incurred prior to the reporting date and are based on actuarial estimates.

4. General Fixed Assets Account Group

Basis of Accounting

Fixed assets used in governmental type operations (general fixed assets) are recorded as expenditures in the governmental funds and capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, dykes, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have not been capitalized. Such assets normally are immovable and of value only to the State.

Land, buildings, and other fixed assets are recorded at historical cost or at estimated historical cost where historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date of donation. No depreciation has been provided on general fixed assets.

5. General Long-Term Obligation Account Group

Basis of Accounting

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligation Account Group. The amounts reported in the Combined Balance Sheet for this Account Group included: $217,975,000 of general obligation bonds which will be paid from the General Fund or Special Revenue Fund appropriations as they mature; $62,925,000 of certificate of participation revenue bonds which are secured by the assets purchased from bond proceeds and will be paid from lease payments from State agencies as well as from General Fund appropriations; $3,749,000 of contract obligations which will be paid from General Fund appropriations; and $5,450,000 of obligations under lease commitments. (See Notes H & I)

State employees are allowed to accumulate a limited amount of unused annual and compensatory leave which would be paid to them upon separation. In addition, certain retirement benefits are available from accumulated sick leave. In the governmental fund types, the cost of annual leave, compensatory leave and retirement benefits is recognized when used. A long-term liability of $42,631,000 for the accumulated leave and benefits has been reported in the General Long-Term Obligation Account Group for the accumulated balance at June 30, 1986. (See Note R)

6. College and University Funds

Basis of Accounting

The College and University Funds are accounted for on the accrual basis of accounting, with the following exceptions:

- Depreciation expense related to plant fund assets generally is not recorded.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

Inventories

Inventories are stated at lower of cost or market using various valuation methods, which include the First-In-First-Out (FIFO), weighted average and weighted moving average bases.

Principles of Reporting

The College and University Funds are an aggregate of the institutions' separate financial statements. The presentation is not meant to be a consolidation since transactions within the State entity have not been eliminated nor have fixed assets or long-term debt been reported in the applicable State's account groups. However, appropriations to the colleges and universities are recorded as operating transfers out in the General Fund and as operating transfers in to the College and University Funds.

7. Budgeting and Budgetary Control

Summarization of budgets adopted by the Legislature for the General, the Special Revenue, Uniform School, Transportation and

Notes to the Combined Financial Statements

Year Ended June 30, 1986

the Debt Service Funds are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual. The legislative authorization (budget) for expenditures appears in the State *Appropriation Act* which also identifies the source of funding for the budgeted amounts. Appropriations are identified by line item and expenditures may not legally exceed any line item of appropriation. During the fiscal year ended June 30, 1986, the Special Revenue Fund (Transportation Fund) had two line items that overspent their budget by a total of $279,000. This over expenditure will need to be recovered in the next fiscal year.

If the source of funding is not sufficient to cover the appropriations, the Governor is required to reduce the budget by the amount of such deficiency. Reductions in fiscal year 1986 have been made for shortfalls in departmental collections, dedicated credits and federal revenue. These reductions are also reflected on the above mentioned statement in the "Budget" amount. This amount is also reduced by amounts transferred to the Capital Projects Fund for major capital expenditures as controlled by the State Division of Facilities Construction and Management. In addition, the "Budget" amount may have been increased if supplemental appropriations were enacted or if departmental collections, dedicated credits or federal funds exceeded the source of funding amount in the *Appropriation Act*. The expenditure of the excess funds may be made for legislative approved purposes if permitted by the Governor. Any other changes to the "Budget" must be approved by the legislature in a supplemental appropriation.

The expenditures on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual are reported on the budgetary basis. Therefore, certain intrafund transactions have been eliminated from revenue and expenditures as reflected on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances to arrive at the GAAP basis actual expenditures.

The variance between total budgeted expenditures and actual expenditures, as reported on the above mentioned statement may result in amounts which would: 1) "Lapse to Unreserved Fund Equity" and these funds become available for future appropriation; 2) "Lapse to Restricted and Other" and these funds become available for future appropriation, but the future appropriation must be for a specific purpose as restricted by statute; or 3) "Non Lapse" which means the funds are still available for expenditure as authorized by statute or by the *Appropriation Act*.

The budgets for Unrestricted (free) Revenues reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual are based on the latest projected economic conditions as determined by the State Budget Office prior to the beginning of the fiscal year. The budgets for Restricted Federal Revenues are, for the most part, based on the actual receipt of Federal Contracts or Grants reduced by the revenues not expended in the current fiscal year. Other Restricted Revenue budgets are primarily based on actual collections.

NOTE B. FINANCIAL REPORTING ENTITY

For financial reporting purposes the State of Utah includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the State's executive or legislative branches. Control or dependency on the State was determined on the basis of whether the State exercises budgetary control, management control, funding control, debt level controls, or control over the appointment of the administrative bodies.

Based on the foregoing control or dependency factors, the State has included the following entities in the Comprehensive Annual Financial Report:

Area Vocational Centers (Special Revenue Fund)

The State Office of Education has oversight responsibility for the five Area Vocational Centers in the State. They are: Bridgerland, Davis, Ogden-Weber, Sevier Valley, and Uintah Basin. The Centers offer vocational education in various subjects. The Centers receive annual State appropriations for their operations. The individual Centers were audited by other independent auditors, and individual reports, dated from August 15, 1986 to September 25, 1986, have been previously issued under separate cover.

Unemployment Compensation Trust Fund

The Unemployment Compensation Trust Fund is financed from employer contributions, federal grants, and direct reimbursements from non-contributing employers. The Utah Department of Employment Security has a fiduciary responsibility to administer the Fund. The Department's management and operation are under the supervision of the State Industrial Commission. The Commission is appointed by the Governor and approved by the Senate, and is an integral part of State Government.

Utah Housing Finance Agency (Enterprise Fund)

The Utah Housing Finance Agency issues bonds to provide capital for housing. Operations are financed from bond proceeds and mortgage and investment interest and fees. The State has appropriated, on a repayment basis, State funds to defray bond issue costs and to maintain adequate capital reserves. The administrative body is made up of State officials and citizens appointed by the Governor. The Fund was audited by the State Auditor, and his report, dated September 5, 1986, has been previously issued under separate cover.

State Insurance Fund (Worker's Compensation Enterprise Fund)

The State Insurance Fund provides worker's compensation insurance and is financed through member (employer) premiums. The Fund's management is appointed by the Executive Director of the Department of Administrative Services and approved by the Governor. Administrative operations are subject to State control and administrative budgets are controlled by the State Legislature. The Fund is reported for the period ended December 31, 1985, and is an integral part of State government.

Utah Technology Finance Corporation (Enterprise Fund)

The Utah Technology Finance Corporation is a non-profit organization which encourages and assists in the development, promotion, and growth of technological and small businesses throughout the State. The corporation receives State appropria-

tions as part of its operating money. The board of trustees includes two members from the legislature with the remaining members being appointed by the Governor with Senate approval.

Alcoholic Beverage Control Commission (Enterprise Fund)

The Alcoholic Beverage Control Commission administers the Liquor Control Act with financing from operations which includes the sale of liquor products. The Commission's operations, policies and administrative expenses are subject to legislative and executive control. The Commissioners are appointed by the Governor with Senate approval. All property of the Commission is State property and all profits from operations are remitted to the State General Fund. The Fund was audited by other independent auditors, and their report, dated September 18, 1986, has been incorporated herein.

Student Assistance Programs (Enterprise Fund)

The Student Assistance Programs present combined information from two student assistance programs, the Higher Education Assistance Authority, which guarantees repayment of eligible student loans and the State Board of Regents Student Loan Purchase Program, which makes loans to and purchases loans of eligible students. The programs are funded from loan fees, interest and federal allowances. Both programs are administered by the State Board of Regents. The Regents are appointed by the Governor subject to Senate approval. The Board's operations and administrative expenses are subject to legislative and executive control. The Student Assistance Programs were audited by the State Auditor, and his report, dated September 5, 1986, has previously been issued under separate cover.

Deferred Compensation Plan (Agency Fund)

The Deferred Compensation Fund, which is administered by the Utah State Retirement Board (Board), is a voluntary deferred compensation program available to eligible public employees in the State of Utah whose employing unit participates in the Utah Retirement Systems. Under this program, compensation is deferred for income tax purposes under Section 457 of the Internal Revenue Code, and is placed into an investment option at the election of the individual employee. As defined by Section 457, these funds are available to the creditors of contributing employers until such time as it becomes payable to the participant. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Utah State Retirement Office (Pension Trust Funds)

The State Retirement Office administers pension funds for various public employee retirement systems of the State and its political subdivisions. The Office is subject to State legislative and executive controls. The Governor, with Senate approval, appoints the Administrative Board. The administrative expenses are subject to legislative budget controls. The Funds were audited by other independent auditors for the period ended December 31, 1985, and their report, dated April 7, 1986, has been previously issued under separate cover.

Utah Public Employees Group Insurance (Internal Service Fund)

The Group Insurance Fund provides health and life insurance and is financed by employee and employer contributions from the State and other participating political subdivisions. The Fund is administered by the State Retirement Office which is subject to legislative and executive control. The Fund was audited by other independent auditors and their report, dated August 29, 1986, has been previously issued under separate cover.

Universities, Colleges and Technical Colleges (College and University Funds)

The State Board of Regents has oversight responsibility for the University of Utah, Utah State University, Weber State College, Southern Utah State College, Dixie College, College of Eastern Utah, Snow College, Utah Technical College at Salt Lake, and Utah Technical College at Provo. Each college and university is governed by an Institutional Council. The Institutional Council is comprised of eight persons appointed by the Governor and approved by the Senate, the president of the institution's alumni association, and the president of the institution's associated students. The colleges and universities are funded through State appropriations, tuitions, federal grants, and private donations and grants. The colleges and universities were audited by the State Auditor or other independent auditors, and individual reports, dated from September 30, 1986 to November 6, 1986, have been previously issued under separate cover.

NOTE C. CHANGES IN ACCOUNTING PRINCIPLES AND REPORTING PRACTICES

The State of Utah made several changes in accounting principles and reporting practices effective July 1, 1985, in order to conform with generally accepted accounting principles. The following is a summary of the changes made to assets, liabilities and fund equities as of July 1, 1985.

Debt Service Fund

The Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) for the Debt Service Fund previously included only General Obligation Bonds. The Statement now includes budget and actual information for the General Long-Term revenue bonds that are funded from charges to State departments and from State appropriations. As a result, budget and actual revenues and expenditures increased by $2,807,000 and $20,672,000, respectively.

Enterprise Funds

In the 1985 Legislative session the Prison Industries Internal Service Fund's purpose was redefined and the fund was reclassified as The Utah Correctional Industries Enterprise Fund. The assets of $2,923,000 from the Prison Industries Internal Service Fund were transferred to the Utah Correctional Industries Enterprise Fund. Liabilities of $4,232,000 remained in the Prison Industries Internal Service Fund and will be funded in future years through appropriations from the General Fund or the Utah Correctional Industries Fund.

Certain 1985 amounts in the accompanying financial statements have been reclassified to conform to the current year's presentation including the reclassification of negative cash to an interfund payable.

Notes to the Combined Financial Statements

Year Ended June 30, 1986

Internal Service Funds

In a prior year, fixed assets transferred to the Natural Resources Internal Service Fund from the General Fixed Assets Account Group were misclassified as an increase to fund equity-retained earnings. To correct the misclassification Internal Service Fund's fund equity-retained earnings as of July 1, 1985 was decreased by $2,509,000 and fund equity-contributed capital was increased by the same amount.

Certain 1985 amounts in the accompanying financial statements have been reclassified to conform to the current year's presentation including the reclassification of negative cash to an interfund payable.

Trust and Agency Funds

Effective July 1, 1985 the State adopted the provisions of Government Accounting Standards Board statement 2, "Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457." The Salary Deferral 457 Stock Plan previously reported in the Pension Trust Fund is now classified as an agency fund. This change, at July 1, 1985, reduced the Pension Trust assets and fund balance by $28,024,000, and increased the Agency funds' assets and Due To Other Individuals or Groups by $7,488,000. The difference of $20,536,000 is due to the elimination of fund balance belonging to other funds.

NOTE D. CASH AND CASH EQUIVALENTS

Cash equivalents are carried at cost or amortized cost which approximates market. All interest revenue is allocated to the General Fund except allocations required by law to be made to other funds. The interest revenue allocated to the General Fund is reduced when any of the funds consistently reflects a deficit cash position.

"Cash and Cash Equivalents" may be under the control of the State Treasurer or controlled by other administrative bodies as determined by law. All cash deposited to the State Treasurer by State entities is maintained by the Treasurer in various pooled investment funds. The State Treasurer invests the deposited cash including the cash float in short-term securities and other investments which conform with the provisions of the State Money Management Act (*Utah Code Annotated, 1953*, as amended, Section 51-7). (See Note E.)

The following schedule summarizes "Cash and Cash Equivalents" by fund group.

General Fund	$ 61,816,000
Special Revenue Funds	13,500,000
Capital Projects Fund	69,858,000
Debt Service Fund	23,365,000
Enterprise Funds	
Alcoholic Beverage Control	54,000
Utah Housing Finance Agency	234,324,000
Worker's Compensation	21,307,000
Student Assistance Programs	29,611,000
Utah Technology Finance Corp.	2,576,000
Utah Correctional Industries	1,872,000
Internal Service Funds	75,867,000
Trust and Agency Funds	
Pension	312,726,000
Non-Expendable	6,419,000
Expendable	169,528,000
Agency	361,883,000
College and University Funds	90,366,000
Total Cash and Cash Equivalents	$1,475,072,000

At June 30, 1986, various funds had a negative cash and cash equivalents balance that are reported in the financial statements as interfund payables due to the General Fund of $32,629,000.

The following types of securities were included as the "Cash and Cash Equivalents."

	Cost	Market
Cash	$ 158,099,000	$ 158,099,000
Compensating Balances	3,497,000	3,497,000
Food Stamps	17,952,000	17,952,000
Short-Term Securities (TCD's, Repurchase Agreements and U.S. Treasury Bills)	1,295,524,000	1,295,223,000
Total Cash and Cash Equivalents	$1,475,072,000	$1,474,771,000

NOTE E. OTHER INVESTMENTS

"Other Investments" include long-term investments. These investments may also be restricted by law or other legal instruments. "Other Investments" may be under the control of the State Treasurer or controlled by other administrative bodies as determined by law. These investments are carried at amortized cost. The following schedule summarizes "Other Investments" by fund group.

General Fund	$ 1,109,000
Debt Service Fund	8,141,000
Enterprise Funds	
Utah Housing Finance	49,653,000
Worker's Compensation	104,850,000
Student Assistance Programs	6,582,000
Internal Service Funds	11,506,000
Trust and Agency Funds	
Pension	1,877,066,000
Non-Expendable	10,493,000
Expendable	7,610,000
Agency	10,000,000
College and University Funds	145,686,000
Total "Other Investments"	$ 2,232,696,000

The following types of securities are included as "Other Investments."

	Cost or Carrying Value	Market
Government, Agency and Corporate Bonds	$1,276,576,000	$1,327,855,000
Stocks	791,918,000	987,337,000
Real Estate	158,733,000	157,573,000
Miscellaneous	5,469,000	5,731,000
Total "Other Investments"	$2,232,696,000	$2,478,496,000

Notes to the Combined Financial Statements

Year Ended June 30, 1986

NOTE F. DUE FROM/TO OTHER FUNDS

Due From/To Other Funds at June 30, 1986 consist of the following (Expressed in thousands):

	Interfund Receivables	Interfund Payables		Interfund Receivables	Interfund Payables
General Fund	$ 41,535	$ 17,151	Surplus Property	28	74
Special Revenue Funds:			Central Printing	480	870
Uniform School	1,912	563	Communications	1,399	869
Transportation	517	31,432	Social Services/Internal Service	495	61
Capital Projects Fund	4,567	575	Prison Services		4,114
Debt Service Fund	10		Office of Education/Superintendent	137	34
Enterprise Funds:			Natural Resources	540	75
Utah Correctional Industries	1,376	987	Admin. Services Risk Management	21	163
Bond Industries		228	Property Management	3,150	2,662
Alcoholic Beverage Control	3	1,595	Trust and Agency Funds:		
Internal Service Funds:			Land Board	11	
Water Resources Loan Fund	40		Unemployment Compensation Trust		1,077
Data Processing	3,112	5,008	Restricted	1,453	2,791
Central Administration	1	3	Agency	10,467	
Central Mailing	255	341	College and University Funds	16,199	15,389
Central Stores	160	487	Total	$ 88,154	$ 88,154
Motor Pool/Service Station	286	1,605			

NOTE G. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

General Fixed Assets:	Balance July 1, 1985	Additions	Retirements	Balance June 30, 1986
Land	$ 58,881,000	$ 10,716,000	$ 1,270,000	$ 68,327,000
Buildings and Improvements	229,858,000	48,966,000	1,746,000	277,078,000
Machinery and Equipment	119,890,000	18,600,000	11,429,000	127,061,000
Construction-In-Progress	29,783,000	60,246,000	46,317,000	43,712,000
Total General Fixed Assets	$ 438,412,000	$ 138,528,000	$ 60,762,000	$ 516,178,000

Construction-In-Progress retirements are transferred as additions to land and buildings. These additions represent land of $717,000 and buildings of $45,600,000. Construction-In-Progress at June 30, 1986 consisted of the following:

Project	Description	Amount Authorized	Amount Expended	Balance Authorized	Required Future Financing
84408	Ogden Regional Facility Center	$ 10,075,000	$ 9,560,000	$ 515,000	None
84425	National Guard A.D.D.S. Building	4,122,000	4,122,000		None
84355	Iron Co. Criminal Justice Resources Ctr.	8,187,000	3,964,000	4,223,000	None
84164	Logan Regional Center (Bridgerland AVC)	3,168,000	3,158,000	10,000	None
85028	Corrections Master Plan Phase I Design	2,399,000	2,399,000		None
81138	DCED Expositions Livestock Complex	2,164,000	2,164,000		None
83829	Employment Security Building - Ogden	1,837,000	1,837,000		None
86013	Uintah Regional Office Building	1,708,000	1,701,000	7,000	None
86039	Corrections Phase I Functional Unit #1 and #3 and Gatehouse Building	20,626,000	1,165,000	19,461,000	None
86007	Social Services Building Remodeling	1,321,000	1,022,000	299,000	None
	Sixty-Three Other Projects	25,605,000	12,620,000	12,985,000	None
	Total	$ 81,212,000	$ 43,712,000	$ 37,500,000	

Notes to the Combined Financial Statements

Year Ended June 30, 1986

NOTE H. BONDS AND NOTES PAYABLE

Bonds Payable presented in the General Long-Term Obligation Account Group consists of the following:

General Obligation Bonds:

General Obligation Bonds Outstanding	Date Issued	Interest Rate	Original Issue	Balance June 30, 1986
1975 Issue	7/1/75	5.25% to 5.70%	$ 70,000,000	$ 25,500,000
1978 Building Issue	7/1/78	4.75% to 5.80%	$ 25,115,000	17,400,000
1978 Water Issue	7/1/78	4.75% to 5.95%	$ 25,000,000	17,500,000
1980 Water Issue	10/1/80	6.25% to 7.75%	$ 11,000,000	6,000,000
1982 Water Issue	6/1/82	8.75% to 10.20%	$ 14,000,000	11,000,000
1984 Refund Issue	5/1/84	6.60% to 7.60%	$ 29,490,000	29,490,000
1985A Prison Issue	10/1/85	5.25%	$ 29,950,000	29,950,000
1985B Refund Issue	10/1/85	5.90% to 7.40%	$ 81,135,000	81,135,000
Total General Obligation Bonds Payable				$ 217,975,000

General obligation bonds are secured by the full faith and credit of the State. Debt service requirements are provided by legislative appropriation from the State's general tax revenues.

Debt service cash requirements to maturity for general obligation bond issues for fiscal years ended June 30, are summarized below (expressed in thousands):

	Principal										
	1975 Building	1978 Building	1978 Water	1980 Water	1982 Water	1984 Refunding	1985A Prison	1985B Refunding	Total Principal Required	Total Interest	Total Amount Required
1987	$ 6,000	$ 3,400	$ 3,400	$ 1,500	$ 1,000	$ 6,460	$ 29,950	$	$ 54,050	$ 11,269	$ 65,319
1988	6,500	4,000	4,000	1,500	1,000	7,200		3,250	28,350	9,612	37,962
1989	7,000	4,500	3,700	1,500	1,000	7,200		2,746	30,146	7,815	37,960
1990		5,500	3,500	1,500	8,000	9,240		3,570	32,310	5,654	37,964
1991								35,155	35,155	2,809	37,964
1992								37,965	37,965		37,965
Total	$ 25,500	$ 17,400	$ 17,500	$ 6,000	$ 11,000	$ 29,490	$ 29,950	$ 81,135	$ 217,975	$ 37,159	$ 255,134

Changes in General Obligation Bonds for the Fiscal Year 1986 are summarized below:

Balance at July 1, 1985	$ 229,715,000
New Bonds Issued:	
1985A Prison	29,950,000
1985B Refunding	81,135,000
Bonds Retired	(122,825,000)
Balance at June 30, 1986	$ 217,975,000

The proceeds of the General Obligation Refunding Bond issued October 1, 1985, along with other monies available for debt service which included a net gain of $192,000, were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the following Bond issues:

Bond Issue	Principal Outstanding at June 30, 1986
1983 Highway Bonds	$ 25,000,000
1983 Capital Improvements Bonds	12,700,000
1983 Water Bonds	45,000,000
1984 Capital Improvements Bonds	1,900,000

The assets are administered by the trustee and are restricted for the retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the State defeased its obligation for payment of the bonds upon completion of the refunding transaction.

Revenue Bonds:

Revenue bonds and notes consist of those issued by the Utah Housing Finance Agency, the Utah State Board of Regents Student Loan Purchase Program, and the various Colleges and Universities. These bonds and notes are not considered general obligations of the State.

The Utah Housing Finance Agency bonds were issued to provide sources of capital for housing persons of low or moderate income. The bonds are secured by mortgages and repayments are made from the mortgage proceeds. Outstanding bonds payable are reported in the Enterprise Funds.

The Utah State Board of Regents Student Loan Purchase Program bonds were issued to provide funds for student loans and are secured by all assets of the Board of Regents Revenue Bond

Notes to the Combined Financial Statements

Year Ended June 30, 1986

Fund and the revenues and receipts derived from such assets. Outstanding bonds payable are reported in the Enterprise Funds.

The Colleges and Universities issue bonds for various purposes including student housing, special events centers and student unions. The bonds are secured by the related assets, student building fees and other income of certain college activities. Outstanding bonds payable are reported in the College and University Fund.

The State of Utah Equipment Certificates of Participation were issued to finance certain equipment to be utilized by the various agencies and departments of the State. The certificates are secured by the equipment they finance. Outstanding bonds payable are reported in the General Long-Term Obligation Account Group.

The State of Utah Building Certificates of Participation were issued to finance construction of the Health Building office facility and the Ogden Regional Office Center. The certificates are secured by the buildings they finance. Debt service requirements are provided by lease payments from the departments using the facilities. Outstanding bonds payable are reported in the General Long-Term Obligation Account Group.

The proceeds of the General Obligation Refunding bond, issued May 1, 1984, were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the Building Ownership Authority revenue bonds, of which $28,770,000 was outstanding at June 30, 1986. The assets are administered by the trustee and are restricted for the retirement of the refunded debt. The liability for the revenue bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the State defeased its obligation for payment of the revenue bond debt upon completion of the refunding transaction.

The Colleges and Universities placed the proceeds of new bond issues along with various bond reserves and/or pledged revenues into irrevocable trust accounts to defease certain revenue bonds. At June 30, 1986, $31,786,000 of the bonded debt remained outstanding and is considered extinguished by this in-substance defeasance transaction. Therefore, the liability is not included in the accompanying financial statements.

Revenue Bonds Outstanding	Date Issued	Interest Rate	Original Issue	Balance June 30, 1986
1977-1983 Utah Housing Finance Agency Issues	1977-1985	4.5% – 12.875%	$ 954,510,000	$ 809,502,000
1979 Board of Regents Student Loan Issue	1/26/79	6.1% – 6.625%	$ 47,400,000	30,019,000
1984 Certificates of Participation	4/1/84	6.0% – 8.0%	$ 34,490,000	30,525,000
Colleges and Universities Revenue Bonds	1952-1985	2.75% – 13.5%	$ 76,184,000	67,885,000
1984B Certificates of Participation	9/1/84	Variable*	$ 20,700,000	20,700,000
1984C Certificates of Participation	9/1/84	Variable*	$ 11,700,000	11,700,000
Total Revenue Bonds Payable				$ 970,331,000

*The interest rate may be adjusted weekly by the remarketing agent to the minimum rate necessary to enable the certificates to have a market value which approximates their principal amount plus any accrued interest. The certificates are subject to mandatory redemption in the event that the interest rate on the certificates reaches 12 percent.

Debt service cash requirements to maturity on revenue bond issues for fiscal years ending June 30 are summarized below (expressed in thousands):

	Principal								
Fiscal Year	Housing Finance Agency	Student Loan	Certificates of Participation 1984A	Certificates of Participation 1984B	Certificates of Participation 1984C	Colleges and Universities	Total Principal Required	Total Interest	Total Amount Required
1987	$ 22,040	$ 2,500	$ 4,425	$ 300	$ 200	$ 4,643	$ 34,108	$ 80,676	$ 114,784
1988	23,665	2,300	4,815	300	200	4,800	36,080	77,463	113,543
1989	25,645	1,900	5,245	300	200	6,261	39,551	74,947	114,498
1990	26,295	1,600	5,705	300	200	3,771	37,871	72,048	109,919
1991	27,525	1,200	6,210	400	200	2,267	37,802	69,212	107,014
1992-1996	161,874	20,519	4,125	2,300	1,300	14,499	204,617	304,780	509,397
1997-2001	172,929	–	–	3,400	1,800	17,308	195,437	253,564	449,001
2002-2006	171,160	–	–	4,700	2,700	11,759	190,319	154,971	345,290
2007-2011	133,050	–	–	7,000	3,900	2,457	146,407	169,684	316,091
2012-2016	24,626	–	–	1,700	1,000	120	27,446	220,267	247,713
2017-2021	10,503	–	–	–	–	–	10,503	23,916	34,419
2022-2025	10,190	–	–	–	–	–	10,190	2,512	12,702
Total	$ 809,502	$ 30,019	$ 30,525	$ 20,700	$ 11,700	$ 67,885	$ 970,331	$ 1,504,040	$ 2,474,371

Notes to the Combined Financial Statements

Year Ended June 30, 1986

Changes in Revenue Bonds for the Fiscal Year 1986 are summarized below:

Balance at July 1, 1985	$ 982,139,000
New Bonds Issued:	
Colleges and Universities	36,330,000
Utah Housing Finance Agency	8,030,000
Bonds Retired	(56,168,000)
Balance at June 30, 1986	$ 970,331,000

Notes Payable

During fiscal year 1984, the Student Assistance Programs entered into a financing agreement with the Student Loan Marketing Association (SLMA) in which SLMA committed to advance the program, at any one time, an aggregate outstanding balance of up to $300,000,000. These notes bear interest at a per annum rate equal to the 91-day Treasury Bill rate plus 1.25 percentage points. As of June 30, 1986, the borrowings under the agreement amounted to $127,060,000. Payments of principal begin the earlier of the day that the advances total $300,000,000 or February 23, 1989. The notes are due February 23, 1999. The notes are secured by the student loans financed by the program and by the assets of the Student Loan Funds.

Other notes payable of $4,727,000 represent the remaining balances of purchases of buildings and equipment. The notes bear interest rates of 3% to 13% and will be repaid over the next 2 to 25 years. They are secured by the related assets.

Notes Payable for Fiscal Year 1986 are summarized below (expressed in thousands):

	Internal Service Funds	Enterprise Funds	College & University Funds	Total
Balance at July 1, 1985	$ 97	$ 108,177	$ 6,887	$ 115,161
Additions	—	19,130	269	19,399
Deletions	(10)	(78)	(2,685)	(2,773)
Balance at June 30, 1986	$ 87	$ 127,229	$ 4,471	$ 131,787

Contracts Payable

The Department of Natural Resources entered into a contract in fiscal year 1986 to purchase land for wildlife habitat and conservation. The contract term is for four years and bears an annual interest rate based on the annual rate for Reserve Adjusted Certificates of Deposit. At June 30, 1986, the remaining contract commitments totaled $3,749,000. Debt service payments are from General Fund appropriations and are secured by the related land.

NOTE I. LEASE COMMITMENTS

The State leases office buildings and office and computer equipment. Although the lease terms vary, most leases are subject to annual appropriations from the State Legislature to continue the lease obligations. If a legislative appropriation is reasonably assured, leases are considered noncancellable for financial reporting purposes and are reported in the General Long-Term Obligation Account Group or appropriate proprietary type fund as described below.

Assets acquired through capital leasing are valued at the lower of fair value or the present value of the future minimum lease payments, at the inception of the lease. Capital leases for the proprietary type funds are reported in those funds as a long-term obligation along with the related assets. Capital leases for the governmental type funds are reported in the General Long-Term Obligation Account Group and the related assets are reported in the General Fixed Assets Account Group. Capital leases for the College and University Funds are reported in those funds along with the related assets.

Operating leases (leases on assets not recorded in the Balance Sheet) contain various renewal options as well as some purchase options. However, due to the nature of the leases, the related assets were not classified as capital leases. Any escalation clauses, sublease rentals and contingent rents were considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

The total lease expenditures for fiscal years 1986 and 1985 were $13,313,000 and $12,524,000, respectively. Future minimum lease commitments for noncancellable operating leases and capital leases as of June 30, 1986, were as follows:

Notes to the Combined Financial Statements

Year Ended June 30, 1986

Fiscal Year	Operating Leases	Capital Leases: Long-Term Obligation Account Group	Capital Leases: Proprietary Funds	Capital Leases: College and University Funds	Total
1987	$ 5,954,000	$ 936,000	$ 367,000	$ 1,118,000	$ 8,375,000
1988	5,248,000	939,000	367,000	722,000	7,276,000
1989	3,570,000	922,000	367,000	443,000	5,302,000
1990	2,681,000	893,000	367,000	292,000	4,233,000
1991	2,363,000	873,000	365,000	191,000	3,792,000
Thereafter	4,732,000	9,258,000	7,550,000	745,000	22,285,000
Total Future Minimum Lease Payments	$ 24,548,000	13,821,000	9,383,000	3,511,000	$ 51,263,000
Amounts Representing Interest		8,371,000	6,517,000	718,000	
Present Value of Future Minimum Lease Payments		$ 5,450,000	$ 2,866,000	$ 2,793,000	

Changes in Capital Lease General Long Term Obligations for the 1986 fiscal year are as follows:

Balance at July 1, 1985	$ 3,437,000
Existing Leases - Transfer Current Portion	(205,000)
New Leases Entered Into	2,395,000
Leases Completed	(177,000)
Balance at June 30, 1986	$ 5,450,000

NOTE J. PENSION PLANS

Eligible employees of the State are covered by one of the following retirement plans:

1. Utah State Retirement Systems

The Utah State Retirement Systems were established by Chapter 49 of *Utah Code Annotated, 1953*, as amended. The Utah State Retirement Office administers the systems under the direction of the Utah Retirement Board (Board), which consists of the State Treasurer and eight members appointed by the Governor and the State Treasurer. The Board has its own separate accounting system and reports on a calendar year end. The December 31, 1985, report has been included in this Comprehensive Annual Financial Report as a Pension Trust Fund. The retirement systems are comprised of the following groups of defined benefit retirement systems covering substantially all employees of the State as well as other political subdivisions:

- The Utah State Retirement System (State) - covers regular full-time State employees and all participating higher education, secondary education and local government employees.
- The Utah Public Safety Retirement System (Public Safety) - covers State and local governmental employees directly involved in law enforcement.
- The Utah Firemen's Retirement System (Firemen's) - covers those State and local government employees directly involved in firefighting.
- The Utah Judge's Retirement System (Judge's) - covers those State and local government employees appointed or elected as judges.
- Other - Several other smaller plans are offered to those employees or groups of employees who elect coverage.

System participation requires employee and employer contributions. Employee contributions are vested and ranged from 6.0% to 14.81% of the employee's annual salary or wages. The employee vested contributions may be paid in part or in whole by the employer. The employer contribution rate is 1.32% to 12.40% of the employee's salary or wages. Employer contribution rates consist of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current service year) and (2) an amount for amortization of the unfunded actuarial liability over a period of 40 years. These rates are determined using the entry age normal actuarial cost method with a supplemental present value, and the same actuarial assumptions that were used to calculate the actuarial present value of credited projected benefits. Retirement benefits are specified by statute and are computed using salary, age and years of service.

The Board engages an independent firm of actuaries at least biennially to estimate present value of credited projected benefits for the purpose of determining required reserves for active and terminated participants, retired individuals and beneficiaries, and for the determination of contribution rates.

Credited projected benefits are those future periodic payments including lump sum distributions that are attributable to the ser-

Notes to the Combined Financial Statements

Year Ended June 30, 1986

vice employees have rendered under plan provisions of the various plans. The actuarial cost method used is the unit credit method which bases benefits on the projected salary increases to present the actuarial present value of credited projected benefits for financial statement presentation in accordance with the provisions of the National Council on Governmental Accounting Statement 6.

The following schedule presents information concerning the book value of assets, estimated present value of credited projected benefits for active, terminated and retired members and the related funding ratio as of the most recent actuarial report computed in accordance with the provisions of NCGA Statement 6. (Expressed in thousands.)

System	Date of Actuarial Report	Book Value of Assets	Estimated Present Value Of Credited Projected Benefits	Funding Ratio
State	1-1-85	$ 1,682,987	$ 1,637,000	103%
Public Safety	1-1-85	170,065	241,091	71
Firemen's	1-1-85	81,047	137,294	59
Judges'	1-1-85	9,906	13,512	73

The schedule below presents the primary actuarial assumptions used in the most recent actuarial report.

System	Assumed Investment Rate of Return	1971 Group Annuity Mortality Table (Years Set Back) Male	1971 Group Annuity Mortality Table (Years Set Back) Female	Assumed Salary Increases
State	7.5%	1	1	5.75%
Public Safety	7.5	1	1	5.75
Firemen's	7.5	1	1	5.75
Judges'	7.5	2	1	5.75

(Prior years' experience was used for the retirement age assumption.)

There were no changes in actuarial assumptions and no material changes in benefit provisions during the year.

The actuarial assumed interest rate of 7.5% was allocated to appropriate credited projected benefits. Net investment earnings in excess of the assumed interest rate were allocated to appropriate fund balances in accordance with State law and Board directives.

Actuarial gains and losses result from the differences between the actuarial present value of credited projected benefits and unreserved but designated amounts computed by the actuary and the credited projected benefits and unreserved but designated amounts reflected on the financial statements as of the date of the actuarial report. The net actuarial gain or loss is adjusted against the unfunded actuarial present value of credited projected benefits when the Systems' net assets available for benefits are less than the total actuarial present value of credited projected benefits and the unreserved but designated portion of fund balance. The net actuarial gain or loss is adjusted against net assets available for future benefit credits when the System's net assets available for future benefits exceed the total of the actuarial present value of credited projected benefits and the unreserved but designated portion of fund balance.

Information with regard to total employer contributions to the Systems for the year ended December 31, 1985 are indicated below (Expressed in thousands).

System	Normal Cost Amount	Normal Cost Percent of Active Member Payroll	Unfunded Cost Amount	Unfunded Cost Percent of Active Member Payroll	Total Employer Contributions Amount	Total Employer Contributions Percent of Active Member Payroll	Annual Active Member Payroll
State	$ 44,361	3.79%	$ 18,425	1.57%	$ 62,786	5.36%	$ 1,172,006
Public Safety	1,957	2.12	5,448	5.91	7,405	8.03	92,133
Firemen's	994	3.69	2,669	9.90	3,663	13.59	26,965
Judges'	383	9.46	156	3.85	539	13.31	4,047
Total	$ 47,695		$ 26,698		$ 74,393		$ 1,295,151

Notes to the Combined Financial Statements

Year Ended June 30, 1986

Amounts actually contributed by employers were in accordance with actuarially computed funding requirement determinations. Fire insurance, premium taxes and court fees are included as part of employer contributions in the schedule above for the Firemen's and Judges' Systems, respectively.

The unfunded actuarial liability is not segregated by participating governmental units. Therefore, it is not possible to segregate the unfunded actuarial liability for the State of Utah as a separate entity. However, it is anticipated by the actuary that the current contribution rate will remain approximately level and will fund current service cost and will amortize unfunded actuarial liabilities of prior service cost over the forty-year period ending July 1, 2007.

The State of Utah's employer contributions to the State Retirement Systems were:

	Year Ended June 30, 1986	Year Ended June 30, 1985
General Fund	$ 26,473,000	$ 23,823,000
Special Revenue Funds:		
Uniform School Fund	2,578,000	2,456,000
Transportation Fund	5,343,000	4,893,000
Capital Projects Fund	31,000	35,000
Enterprise Funds	669,000	491,000
Internal Service Funds	1,136,000	860,000
Expendable Trust Funds	224,000	210,000
Pension Trust Fund	337,000	304,000
College and University Funds	13,498,000	12,384,000
Total	$ 50,289,000	$ 45,456,000

2. Teachers Insurance and Annuity Association

The Teachers Insurance and Annuity Association (TIAA-CREF), a privately administered retirement plan, provides individual retirement fund contracts with each eligible participating employee. Eligible employees consist mainly of State College and University and Area Vocational Center faculty. Benefits provided to retired employees are generally based on the value of the fund and the estimated life expectancy of the employee at retirement. The total contribution is 14.2% of the employee's annual salary. Most of the colleges and universities contribute the employer share of 7.1% and the employee share of 7.1%. All other employees under this plan pay their share and the employer matches it. The State has no further liability once annual contributions are made.

The State of Utah's actual current year employer contributions to the TIAA-CREF retirement system are listed below:

	Year Ended June 30, 1986	Year Ended June 30, 1985
General Fund	$ 105,000	$ 82,000
Special Revenue Fund:		
Uniform School Fund	42,000	65,000
Enterprise Funds	21,000	17,000
College and University Funds	23,355,000	21,567,000
Total	$ 23,523,000	$ 21,731,000

3. Travelers Insurance Retirement Plan

There are 433 employees of the Department of Employment Security (accounted for in the General Fund) participating in the Travelers Life Insurance Plan which is a deposit fund administered retirement plan. The employer payments are fully funded through federal revenues from the U.S. Department of Labor.

The contribution is 14.84% of the employee's annual salary, of which 3.05% is paid by the employee, 3.95% is paid by the employer for the employee, and 7.84% is paid by the employer. The employer is also contributing to prior service costs. Retirement benefits are computed using salary, age, and years of service.

According to the latest periodic actuarial valuation on October 1, 1985, the present value of future retirement benefits is $56,966,000 and the unfunded liability is $24,212,000. Net assets available for benefits are $28,304,000. The unfunded liability represents cost of living increases on benefits. The average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 9% for both 1986 and 1985.

The State of Utah's actual current year employer contributions, including prior year service costs to the Travelers Retirement Plan from the General Fund in fiscal years ended June 30, 1986 and 1985, were $7,677,000 and $4,248,000, respectively.

Notes to the Combined Financial Statements

Year Ended June 30, 1986

NOTE K. FUND BALANCES

Fund balances reported on the Combined Balance Sheet are further explained below:

1. General Fund:

a. *Reserved (Non-Lapsing or Restricted by Law)*

Legislature	$ 530,000
Tax - Reflectorized Plate Fees	445,000
DAS/Facilities Const. & Management	473,000
Victim Restitution	942,000
Health	431,000
Social Services	2,102,000
Medical Assistance	4,409,000
State Lands and Forestry	914,000
Parks & Recreation	1,780,000
Water Resources	1,791,000
Flood Relief	22,079,000
Water Pollution Control	18,977,000
Safe Drinking Water	9,593,000
Water Resources Security Enhancement	11,692,000
Agriculture	15,498,000
Wildlife Resources	3,295,000
Exxon Oil Overcharge	12,765,000
Financial Institutions	400,000
Employment Security	3,174,000
Advance to Internal Service Funds	4,696,000
Miscellaneous	982,000
Total	$ 116,968,000

b. *Unreserved (General Fund)*

The General Fund unreserved fund equity is reported net of the 1977 ($1,027,000) deficit of the Industrial Commission. This deficit came about when the Legislature, from 1971-77, appropriated $1,621,000 from the State Insurance Fund for operations of the State Industrial Commission. Of the amount appropriated, only $594,000 was deposited to the General Fund by the State Insurance Fund. The balance of $1,027,000 was not remitted pending the outcome of a lawsuit filed to determine the legality of appropriating monies for State operations from the State Insurance Fund. This forced the General Fund to cover the expenses of the Industrial Commission from unappropriated unreserved balances in the amount of $1,027,000. In Gronning vs. Smart, the State Supreme Court ruled that the appropriations were unconstitutional. A State Attorney General opinion, dated June 21, 1977, stated that the State Insurance Fund is entitled to reimbursement of the $593,780 from the General Fund. An additional appropriation from General Fund monies will be needed to eliminate the $1,027,000 deficit fund balance.

c. The reserved balances reported for water pollution control, safe drinking water, water resources security enhancement and agriculture consist mainly of long-term notes receivable.

2. Special Revenue Funds:

Reserved (Non-Lapsing or Restricted By Law)

Uniform School Fund	
Minimum School Program	$ 1,075,000
Office of Education	2,093,000
Vocational Training	954,000
School Building Loans	1,700,000
Area Vocational Centers	1,747,000
Miscellaneous	303,000
Total	7,872,000
Transportation Fund	
Aeronautics	1,322,000
Resource Development	1,296,000
Under Recovered Costs*	470,000
Total	3,088,000
Total Special Revenue Funds	$ 10,960,000

**Accumulated under recovery of equipment and labor costs on federal construction projects.*

3. Capital Projects Fund:

The amount reserved of $45,332,000 represents encumbrances outstanding on various capital project balances of $45,193,000 and $139,000 which is reserved under law for planning construction projects. (See Note Q)

4. Trust and Agency Funds:

a. The $2,358,398,000 reserved for the Trust and Agency Funds represents:

Pension Trust	$ 2,216,999,000
Non-Expendable Trust:	
Land Board	21,940,000
Expendable Trust:	
Unemployment Compensation	151,090,000
Second Injury	(44,001,000)
Indian Affairs	10,278,000
Restricted	2,092,000
Total	$ 2,358,398,000

NOTE L. DEFICIT FUND BALANCES/RETAINED EARNINGS

Funds reporting a deficit fund balance or retained earnings position at June 30, 1986 are:

Enterprise Funds:	
Blind Industries	$ 99,000
Technology Finance Corporation	$ 194,000
Internal Service Funds:	
Central Printing	$ 681,000
Prison Services	$ 4,232,000
DAS - Risk Management	$ 3,858,000
Expendable Trust Fund:	
Second Injury	$ 44,001,000

Notes to the Combined Financial Statements

Year Ended June 30, 1986

The deficit retained earnings in the Blind Industries and Central Printing will be funded through increases in charges for products. The Technology Finance Corporation deficit retained earnings is expected to be funded through increased grant revenues. The deficit retained earnings balance of the Prison Services is to be funded from future appropriations from the Utah Correctional Industries Enterprise Fund or from the General Fund.

The Administrative Services/Risk Management Fund reported a deficit retained earnings which was the result of recognizing expenses for incurred but not filed insurance claims. The unfiled claims amount was recorded as determined by an actuarial study of this fund. Management expects to fund the deficit as the claims are filed and the settlement paid. Additionally, future rates will be increased.

The deficit fund balance in the Second Injury Fund is due to the recognition of expenses and the establishment of the related reserve for unfiled disability claims, according to an actuarial study of this fund. Management expects to take the necessary action to fund the deficit.

NOTE M. OPERATING AND RESIDUAL EQUITY TRANSFERS

Operating transfers between funds occur when a fund receiving revenues transfers resources to a fund where the resources are to be expended. The transfers only occur after being legally authorized by the Legislature through statute or an "Appropriation Act." For the fiscal year ended June 30, 1986, the operating transfers by fund (expressed in thousands) are as follows:

		Special Revenue Funds						
Transfers Out:	General Fund	Uniform School Fund	Transportation Fund	Capital Projects Fund	Debt Service Fund	Internal Service Funds	College and University Funds	Total Transfers Out
General Fund	$	$ 86,123	$ 7,849	$ 20,021	$ 49,202	$	$ 247,056	$ 410,251
Special Revenue Funds:								
Uniform School Fund	17,870					136		18,006
Transportation Fund	26,363			85	9,911			36,359
Capital Projects Fund	2,289							2,289
Debt Service Fund	2,341	467	9,746					12,554
Enterprise Funds	22,727							22,727
Internal Service Funds	1,407							1,407
Trust and Agency Funds	7,570							7,570
Total Transfers In	$ 80,567	$ 86,590	$ 17,595	$ 20,106	$ 59,113	$ 136	$ 247,056	$ 511,163

Residual Equity transfers occur when non-routine transfers are made from one fund to another. These transfers are usually made to provide funds for working capital. In addition to fund equity transfers, fixed assets with $7,762,000 of original cost and $2,257,000 of estimated accumulated depreciation were transferred from the General Fixed Asset Account Group to the Internal Service Funds, resulting in a contributed capital increase in the Internal Service Funds of $5,505,000. For the fiscal year ended June 30, 1986, the residual equity transfers by fund (expressed in thousands) are as follows:

Transfers Out	General Fund	Enterprise Funds	Internal Service Funds	Total Transfers Out
General Fund	$	$ 1,422	$ 42,919	$ 44,341
Enterprise Funds (Alcoholic Beverage Control)	812			812
Internal Service Funds		2,923		2,923
General Fixed Assets Account Group			5,505	5,505
Total Transfers In	$ 812	$ 4,345	$ 48,424	$ 53,581

Notes to the Combined Financial Statements

Year Ended June 30, 1986

NOTE N. EXTRAORDINARY GAINS

Through early extinguishment of debt, the Colleges and Universities have recognized a net gain of $3,578,000. Bonds of $16,236,000 were defeased with the net proceeds of new bonds and existing bond reserves of $12,658,000, resulting in the gain.

NOTE O. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State of Utah has seven enterprise funds which are described below:

1. Alcoholic Beverage Control - The Alcoholic Beverage Control Commission administers the Liquor Control Act with financing from operations which include the sale of liquor products.

2. Utah Housing Finance Agency - The Agency issues bonds to provide capital for housing. Operations are financed from bond proceeds and from mortgage and investment interest and fees.

3. Worker's Compensation (State Insurance Fund) - The Fund provides worker's compensation insurance to private and public employers and is financed through employer premiums.

4. Student Assistance Program - This is made up of two separate student assistance programs administered by the Utah State Board of Regents. The two programs are the Utah Higher Education Assistance Authority, which guarantees repayment of eligible student loans and the Student Loan Purchase Program, which makes loans to and purchases loans of eligible students. The programs are funded from loan fees, interest and federal allowances.

5. Utah Industries for the Blind - The Industries for the Blind is a sheltered workshop that provides employment, evaluation, and training for adults who are blind or visually impaired. They are financed through sales of products and from State appropriated funds.

6. Utah Technology Finance Corporation - The corporation is a corporate body created to encourage and assist in the development of technological and small businesses in the State. The corporation is operated from grants, earnings, and State appropriations.

7. Utah Correctional Industries - The Correctional Industries provides employment for prisoners at the Utah State Prison. It is operated through the sale of goods produced.

Segment information for this fiscal year ended June 30, 1986, is as follows (expressed in thousands):

	Alcoholic Beverage Control Commission	Housing Finance Agency	Worker's Compensation	Student Assistance Program	Blind Industries	Technology Finance Corporation	Correctional Industries	Total
Operating Revenue	$ 68,986	$ 89,700	$ 36,035	$ 20,750	$ 750	$ 100	$ 3,147	$ [illegible]
Operating Expenses:								
Depreciation	574	30	734	13	11	4	41	[illegible]
Other	50,335	77,697	41,196	19,236	671	564	3,097	[illegible]
Operating Income	18,077	11,973	(5,895)	1,501	68	(468)	9	[illegible]
Operating Transfers (Out)	(19,008)		(1,719)					[illegible]
Non-Operating Income (Expense)	(2)		11,334		(6)			[illegible]
Net Income (Loss)	$ (933)	$ 11,973	$ 3,720	$ 1,501	$ 62	$ (468)	$ 9	$ [illegible]
Current Assets	$ 10,440	$ 258,809	$ 61,704	$ 26,407	$ 1,000	$ 1,000	$ 4,903	$ [illegible]
Current Liabilities	5,113	64,709	30,252	4,443	41	1,000	1,000	[illegible]
Net Working Capital	$ 5,327	$ 194,100	$ 31,452	$ 21,964	$ 959	$ [illegible]	$ 3,903	$ [illegible]
Total Assets	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Total Liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fund Equity	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Long-Term Debt	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Equity Contributions	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Fixed Assets (net of Debt) Additions	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Depreciation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Assets (net of Debt)	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]

Notes to the Combined Financial Statements

Year Ended June 30, 1986

NOTE P. LITIGATION, CONTINGENCIES AND COMMITMENTS

The State is named in several legal proceedings where significant monetary damages are sought. The amounts sought range from $250,000 to $18 million and total $43 million. The State is vigorously contesting these matters but as of this date it is not possible to ascertain the outcome of these proceedings nor to estimate the possible effects an adverse decision might have on the future expenditures of State revenues. In the opinion of the Attorney General the amounts stated and claimed in most cases are unrealistic and excessive.

In addition, two groups of consolidated cases have been reactivated this year that were originally filed in 1979. The cases involve oil companies claiming that all taxes collected on their oil and gas leases located on the Navajo Indian Reservation in San Juan County are invalid for a variety of statutory and constitutional reasons. Disputed amounts are estimated at $50 million. As of this date it is not possible for management or the Attorney General's Office to ascertain the outcome of the cases.

Additionally, financial and compliance audits (Single Audit) of federal grants, contracts and agreements were conducted under the provisions of the Federal Office of Management and Budget's Circular A-128, *Audits of State and Local Governments* for the fiscal years ended June 30, 1985, and June 30, 1984. The audits included all State entities except for the colleges and universities and, in 1984, the student loan programs. As a result of the audits, a total of $3 million of federal expenditures is facing disallowance. These costs will be contested with the federal agency involved and management estimates the liability to be less than the questioned amount. Other audit findings on non-compliance cannot be estimated as to the potential liability. The Single Audit for the fiscal year ended June 30, 1986 is near completion and management expects proposed disallowances to be immaterial.

Utah currently faces potential disallowances of federal funds for medicaid, emergency management, economic development, food stamps and aid to families with dependent children. The total amount in question ranges from $19.5 million to $42.5 million as a result of federal audits and state quality control reviews. Additional audits and reviews are pending. All amounts are being or will be contested by the State. Management is unable to determine the effect on the State, if any, of any resulting liabilities.

The State is totally self-insured against liability claims. According to an actuarial study, $4.3 million exists as incurred but unfiled claims. This amount is reported as a liability of the Administrative Services/Risk Management Fund (Internal Service). (Also see Note S.) Also, the University of Utah Medical Center and School of Medicine have established self-insurance trusts for malpractice and liability claims. A liability has been recorded and as of June 30, 1986, the balances in the trust funds were adequate to cover the claims incurred.

The State Retirement System (Pension Trust) received in 1984 $85,000 from a real estate development entity as consideration for a commitment to fund the entity's project. The funding commitment outstanding is estimated at $4,250,000. Also, seven venture capital partnerships have been committed to for $15,400,000. Funding of $4,670,000 has been provided leaving an unfunded commitment of $10,730,000.

At June 30, 1986, the Internal Service Funds had loan and grant commitments of approximately $15,000,000 ($10,000,000 grants, $5,000,000 loans). Subsequent to June 30, 1986, additional commitments of approximately $7,500,000 ($2,500,000 grants, $5,000,000 loans) have been incurred.

NOTE Q. CAPITAL PROJECTS

The State had long-term construction project commitments totaling $45,332,000 at June 30, 1986. The following construction projects have remaining commitments and represent reservations of fund balance in the Capital Projects Fund:

Project #	Description	Remaining Construction Commitment
85239	Corrections Phase I Functional Unit #1 and #3 and Gatehouse Building	$ 17,592,000
84355	Iron County Criminal Justice Resource Center and Jail	3,918,000
84236	Dixie College - Dixie Center	3,099,000
85057	Davis AVC Phase I-C	2,449,000
83133	Utah State University - Taggart Student Center Addition	1,486,000
85054	Bridgerland Area Vocational Center Phase III	1,325,000
84331	Social Services - Cedar City Youth Corrections Facility	1,008,000
85028	Corrections - Phase I Master Plan Design	1,123,000
82038	University of Utah - Phase II Emery Building Remodeling	1,034,000
83023	Utah State University Science Engineering Energy & Research Bldg	1,012,000
85241	Corrections - Phase I Staff Training Building	974,000
85242	Corrections - Phase I Central Plant	970,000
85119	Parks & Recreation - Phase I Clear Creek Fremont Indian Heritage Park	738,000
83037	Weber State College - Allied Health Science Building	723,000
83044	University of Utah - Phase IV Merrill Engineering Bldg	649,000
	All Others	7,232,000
	Total Commitments	$ 45,332,000

Notes to the Combined Financial Statements

Year Ended June 30, 1986

NOTE R. VACATION LEAVE AND SICK LEAVE

NOTE S. SUBSEQUENT EVENTS

General Fund

Statement of Revenues – Budget and Actual – General Fund – Detail by Source

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted Revenues:			
Sales Tax	$ 558,000	$ 542,853	$ (15,147)
Licenses, Fees and Permits:			
Public Service Commission Fees	4,124	4,124	0
Insurance Fees	2,470	2,294	(176)
Circuit Court Collections - Civil	1,010	1,030	20
Other Licenses, Fees and Permits	6,535	6,504	(31)
Interest on Investments	11,093	10,239	(854)
Miscellaneous Taxes and Other:			
Beer Tax	8,900	7,921	(979)
Cigarette and Tobacco Tax	13,400	13,133	(267)
Inheritance Tax	3,500	4,719	1,219
Insurance Premium Tax	23,700	26,077	2,377
Mine Occupation Tax	42,200	43,815	1,615
Oil and Gas Conservation Tax	2,790	2,297	(493)
Taxpayer Rebates		(1,485)	(1,485)
Circuit Court Collections - Criminal Fees and Fines	10,115	7,711	(2,404)
Miscellaneous Other	152	165	13
Total Unrestricted Revenues	687,989	671,397	(16,592)
Restricted Revenues:			
Restricted Sales Tax	16,000	15,626	(374)
Federal Contracts and Grants	433,945	433,945	0
Departmental Collections	87,882	98,112	10,230
Higher Education Dedicated Credits	61,721	61,721	0
Federal Mineral Lease	34,500	32,578	(1,922)
Miscellaneous	51,381	53,019	1,638
Total Restricted Revenues	685,429	695,001	9,572
Total General Fund Revenues	$ 1,373,418	1,366,398	$ (7,020)
Fund Eliminations		(144,063)	
Total General Fund Revenues GAAP Basis		$ 1,222,335	

Statement of Expenditures – Detail – Budget and Actual – General Fund

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
GENERAL GOVERNMENT							
Legislature							
1	Senate	$ 703	$ 688	$ —	$ —	$ 15	1
2	House	1,372	1,319	—	—	53	2
3	Printing	374	332	—	—	42	3
4	Research & General Counsel	1,847	1,649	—	—	198	4
—	Insurance Revisions	25	25	—	—	—	
5	Tax Recodification	96	77	—	—	19	5
6	Fiscal Analyst	936	826	—	—	110	6
7	Auditor General	980	913	—	—	67	7
8	Dues—Conference of State Leg.	40	40	—	—	—	8
11	Judicial Qualifications Comm.	29	24	—	—	5	11
10	Constitutional Revision Comm.	93	72	—	—	21	10
9	Dues—Council of State Gov.	37	37	—	—	—	9
	Total Legislature	$ 6,532	$ 6,002	$ 0	$ 0	$ 530	
Executive and Judicial							
26	Supreme Court	$ 1,490	$ 1,486	$ 1	$ —	$ 3	26
27	Trial Courts—Court Administrator	881	881	—	—	—	27
28	Trial Courts—District Courts	3,607	3,600	7	—	—	28
29	Trial Courts—Circuit Courts	11,043	11,041	2	—	—	29
30	Trial Courts—Juror and Witness Fees	412	412	—	—	—	30
31	Juvenile Courts	7,841	7,841	—	—	—	31
25	State Treasurer	671	606	65	—	—	25
15	GOV—Emergency & Contingency Fund	106	—	89	—	17	15
12	Office of the Governor	1,055	1,024	31	—	—	12
—	GOV—Tar Sands Study	5	—	—	—	5	
13	GOV—Planning and Budget	1,398	1,354	19	—	25	13
14	GOV—Data Processing Coordinator	338	332	6	—	—	14
17	GOV—High Level Nuclear Waste	725	701	—	—	24	17
16	GOV—Criminal & Juvenile Justice	1,100	1,028	20	—	52	16
18	Lt. Governor	255	249	6	—	—	18
—	Lt. Governor—Constitution Bicentennial	45	3	—	—	42	
19	Attorney General	5,112	5,103	9	—	—	19
21	AG—Contractual Attorney Fees	612	611	1	—	—	21
22	AG—Statewide Prosecutors	48	48	—	—	—	22
23	AG—Uniform State Laws	6	6	—	—	—	23
—	AG—Miscellaneous Claims	55	55	—	—	—	
—	AG—Economic Crime Unit	14	9	—	—	5	
—	AG—Lien and Judgment Execution	103	—	—	—	103	
—	AG—Tax Litigation	143	44	—	—	99	
24	State Auditor	1,656	1,656	—	—	—	24
—	State Auditor—Grand Jury	300	300	—	—	—	
	Total Executive and Judicial	$ 39,021	$ 38,390	$ 256	$ 0	$ 375	

Statement of Expenditures – Detail – Budget and Actual – General Fund

continued

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
GENERAL GOVERNMENT (Cont.)							
Government Operations							
86	Department of Administrative Services	$ 275	$ 275	$	$	$	86
96	DAS – Archives	1,393	1,390	3			96
88	DAS – Facilities Const. & Management	1,661	1,660	1			88
89	DAS/DFCM – Facilities Management	2,408	2,408				89
	DAS/DFCM – Agency Reorganization	600	127			473	
91	DAS – Finance	3,280	3,138			142	91
92	DAS – Mandated Expenditures	1,441	1,441				92
94	DAS – Personnel Management	1,448	1,333			115	94
95	DAS – Purchasing	542	457			85	95
62	State Insurance Fund	3,534	3,430		104		62
67	DAS – Insurance Risk Management	166	158		8		87
97	Tax Commission – Administration	16,018	15,960	58			97
99	TAX – Property Assessment	2,747	2,739		8		99
98	TAX – Motor Vehicle Administration	7,340	6,890	5		445	98
100	TAX – Liquor Profits Distribution	4,208	4,206	2			100
57	DAS – Citizens Advisory Council	6	4		2		57
102	Executive Reorganization Committee	166	124	42			102
101	Personnel Review Board	90	88	2			101
103	State Retirement Office	6,426	6,167		259		103
105	SRO – Legislative & Governor's Pension	107	107				105
106	SRO – Retirement Assistance Programs	1,520	1,337	183			106
	Employment Security	41,484	41,443		41		
	Total Government Operations	96,860	94,882	296	422	1,260	
	Total General Government	$ 142,413	139,274	$ 552	$ 422	$ 2,165	
	Intrafund Eliminations		(5,073)				
	Net General Government		$ 134,201				
PUBLIC SAFETY							
231	DPS – Comp. Emerg. Mgmt.	$ 6,469	$ 6,469	$	$	$	231
233	DPS – Highway Patrol	18,959	18,912	12	35		233
234	DPS – Safety Promotion	105	105				234
236	DPS – Officer Standards & Trng.	932	926	6			236
237	DPS – Law Enforcement Services	1,874	1,868	6			237
238	DPS – Driver License	6,211	6,130	3	78		238
232	DPS – Commissioner's Office	1,264	1,252	12			232
239	DPS – Protective Services	538	535	3			239
240	DPS – Highway Safety	2,326	1,384			942	240
	DPS – Commercial Driver Training	2				2	
241	DPS – Medicaid Fraud	572	572				241
	DPS – Narcotic & Liquor Law Enforcement	1,207	1,200	7			
235	DPS – Communications	1,145	1,096	49			235
244	DPS – State Fire Marshal	527	518	9			244
242	Utah National Guard	2,800	2,781	19			242
243							243
	Total Public Safety	$ 44,931	43,748	$ 126	$ 113	$ 944	
	Intrafund Eliminations		(740)				
	Net Public Safety		$ 43,008				

Statement of Expenditures – Detail – Budget and Actual – General Fund

continued

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
SOCIAL SERVICES							
214	Department of Social Services	$ 33,710	$ 32,840	$ 870	$ –	$ –	214
215	Community Operations	43,656	42,858	71	–	727	215
216	Mental Health	31,471	30,421	10	–	1,040	216
217	Alcoholism & Drugs	8,928	8,427	67	434	–	217
218	Public Assistance	86,975	86,839	136	–	–	218
219	Services to the Handicapped	35,238	34,862	376	–	–	219
220	Recovery Services	12,568	12,568	–	–	–	220
221	Family Services	11,951	11,906	45	–	–	221
36	Youth Corrections	11,976	11,973	3	–	–	36
222	Aging and Adult Services	8,342	8,240	102	–	–	222
	Commodities	45,804	45,804	–	–	–	
	Total Social Services	$ 330,619	326,738	$ 1,680	$ 434	$ 1,767	
	Intrafund Eliminations		(19,007)				
	Net Social Services		$ 307,731				
CORRECTIONS							
34	Corrections	$ 44,605	$ 43,678	$ 923	$ –	$ 4	34
35	Corrections Jail Reimbursement	950	950	–	–	–	35
	Total Corrections	$ 45,555	44,628	$ 923	$ 0	$ 4	
	Intrafund Eliminations		(187)				
	Net Corrections		$ 44,441				
HEALTH							
	Data Processing	$ 2,039	$ 2,035	$ –	$ –	$ 4	
223	Department of Health	7,697	7,694	–	–	3	223
224	Management Planning	2,557	2,535	22	–	–	224
225	Environmental Health	28,317	28,316	1	–	–	225
226	Community Health Services	4,747	4,408	1	–	338	226
227	Family Health Services	22,633	22,630	3	–	–	227
229	Health Care Financing	17,023	17,010	13	–	–	229
228	Medical Assistance	177,563	173,154	–	–	4,409	228
230	County Medical Indigent	7,097	7,008	–	–	89	230
	Total Health	$ 269,673	264,790	$ 40	$ 0	$ 4,843	
	Intrafund Eliminations		(53,416)				
	Net Health		$ 211,374				

Statement of Expenditures – Detail – Budget and Actual – General Fund

continued

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
HIGHER EDUCATION							
174	Board of Regents	$ 4,010	$ 4,010	$ —	$ —	$ —	174
	REG—Student Incentive Grants	602	602	—	—	—	
177	REG—Computer Services & Uniform Acct	425	425	—	—	—	177
176	REG—Intercollegiate Assembly	3	3	—	—	—	176
179	REG—Statewide T.V.	151	151	—	—	—	179
178	REG—Student Loans	279	204	—	—	75	178
175	REG—Interstate Coop.	900	891	—	—	9	175
180	REG—Normal Scholarships	583	580	—	—	3	180
	REG—Non-Appropriated	230	217	—	—	13	—
112	U of U—Education & General	117,087	117,087	—	—	—	112
113	U of U—Ed. Disadvantaged	566	566	—	—	—	113
114	U of U—College of Medicine	13,537	13,537	—	—	—	114
115	U of U—University Hospital	2,853	2,853	—	—	—	115
117	U of U—Regional Dental Education	324	324	—	—	—	117
118	U of U—Center for Economic Dev.	82	82	—	—	—	118
119	U of U—Research & Trng. Grants	2,090	2,090	—	—	—	119
120	U of U—Seismograph Stations	198	198	—	—	—	120
121	U of U—Museum of Natural History	241	241	—	—	—	121
122	U of U—State Arboretum	64	64	—	—	—	122
125	U of U—KUED County Translators	1,848	1,848	—	—	—	125
126	U of U—Cooperative Nursing	282	282	—	—	—	126
123	U of U—Scientific Instrumentation	300	300	—	—	—	123
	U of U—Miners Hospital	103	103	—	—	—	—
	U of U—Land Grant Interest	399	399	—	—	—	—
34	U of U—Coal Research	300	300	—	—	—	—
27	U of U—Mineral Lease Research	1,812	1,812	—	—	—	124
9	USU—Education & General	54,867	54,867	—	—	—	127
10	USU—Ed. Disadvantaged	91	91	—	—	—	129
11	USU—Water Research Lab	1,374	1,374	—	—	—	130
13	USU—Research & Trng. Grants	688	688	—	—	—	131
12	USU—Ecology Center	535	535	—	—	—	133
41	USU—Agriculture Experiment Station	6,207	6,207	—	—	—	132
42	USU—Cooperative Extension Service	4,947	4,947	—	—	—	141
5	USU—Uintah Basin CEC	762	762	—	—	—	142
4	USU—Southeastern Utah CEC	365	365	—	—	—	135
6	USU—Man & His Bread Museum	93	93	—	—	—	134
	USU—Coop. Mast. of Ed. Degree/SUSC	100	100	—	—	—	136
7	USU—Production Center	232	232	—	—	—	—
	USU—Land Grant Interest	101	101	—	—	—	139
	USU—Mineral Lease Research	930	930	—	—	—	—
1	Weber—Education & General	36,811	36,811	—	—	—	140
	Weber—Ed. Disadvantaged	192	192	—	—	—	144
	Weber—Computer Systems Modification	20	20	—	—	—	145
	Weber—Cooperative Nursing USU	199	199	—	—	—	146
	Weber—Cooperative Nursing UTC SL	297	297	—	—	—	147
	Weber—Cooperative Nursing SUSC/Dixie	192	192	—	—	—	148
	SUSC—Education & General	10,708	10,708	—	—	—	149
	SUSC—Ed. Disadvantaged	50	50	—	—	—	151
	SUSC—Coop. Mast. of Ed. Degree/USU	29	29	—	—	—	152
							153

Statement of Expenditures – Detail – Budget and Actual – General Fund

continued

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
HIGHER EDUCATION (Cont.)							
154	SUSC—Shakespearean Festival	14	14				154
163	CEU—Education & General	4,644	4,644				163
164	CEU—Ed. Disadvantaged	60	60				164
165	CEU—Prehistoric Museum	34	34				165
166	CEU—San Juan Center	380	380				166
159	Dixie—Education & General	6,043	6,043				159
160	Dixie—Ed. Disadvantaged	15	15				160
161	Dixie—Zion Park Amphitheatre	40	40				161
156	Snow College—Education & General	5,848	5,848				156
157	Snow College—Ed. Disadvantaged	24	24				157
171	UTC/SL—Education & General	17,190	17,190				171
172	UTC/SL—Ed. Disadvantaged	65	65				172
168	UTC/Provo—Education & General	15,424	15,424				168
169	UTC/Provo—Ed. Disadvantaged	50	50				169
	Total Higher Education	$ 318,890	318,790	$ 0	$ 0	$ 100	
	Appropriations Transferred to Colleges and Universities	247,056	(247,056)				
	Intrafund Eliminations		(64,651)				
	Net Higher Education		$ 7,083				
NATURAL RESOURCES							
181	Department of Natural Resources	$ 1,321	$ 1,308	$ 13	$	$	181
184	DNR—Rent, Utilities, Fixtures	1,216	1,216				184
182	DNR—Geographic Reference System	446	438	8			182
	DNR—Middle Fork Ogden River	4,696	4,695	1			
185	DNR—State Lands & Forestry	4,642	3,665	3	552	422	185
197	DNR—Oil, Gas, & Mining	4,592	4,376	58		158	197
186	DNR—Wildlife Resources	15,634	15,205		401	28	186
188	DNR/DWR—Hardware Ranch	35	35				188
203	DNR/DWR—Capital Development	1,020	1,020				203
189	DNR/DWR—Contributed Research	222	111			111	189
187	DNR/DWR—Cooperative Studies	48	46			2	187
193	DNR—Parks & Recreation	10,818	9,504			1,314	193
192	DNR/DPR—Heber Creeper Tracks	10	10				192
202	DNR/DPR—Capital Development	1,122	905			217	202
194	DNR—Geological & Mineral Survey	2,357	2,356	1			194
195	DNR—Water Resources	7,359	5,468	100		1,791	195
196	DNR—Water Rights	3,861	3,850	11			196
198	DNR—Utah Energy Office	5,137	5,075	1		61	198
	Total Natural Resources	$ 64,536	59,283	$ 196	$ 953	$ 4,104	
	Intrafund Eliminations		(614)				
	Net Natural Resources		$ 58,669				

Statement of Expenditures – Detail – Budget and Actual – General Fund

continued

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
BUSINESS, LABOR & AGRICULTURE							
69	AGR—Building Maintenance	$ 149	$ 149	$ —	$ —	$ —	69
40	AGR—Brand Inspection	542	517	—	25	—	40
41	AGR—Predatory Animal Control	719	682	—	37	—	41
—	AGR—Estray Animal	7	—	—	—	7	—
38	Department of Agriculture	3,994	3,994	—	—	—	38
39	AGR—Marketing & Development	909	909	—	—	—	39
47	AGR—T.B. and Bangs	10	4	—	6	—	47
42	AGR—Auction Market Veterinarian	52	46	—	—	6	42
—	AGR—Insect Infestation	888	169	—	—	719	—
43	AGR—Grain Inspection	293	274	19	—	—	43
45	AGR—Pesticide	131	131	—	—	—	45
46	AGR—Sheep Promotion	65	32	—	33	—	46
44	AGR—Soil Conservation Commission	62	62	—	—	—	44
48	AGR—Non Point Pollution	36	36	—	—	—	48
60	Industrial Commission	3,856	3,850	6	—	—	60
66	IC—Building Maintenance	96	96	—	—	—	66
49	Department of Business Regulations	4,470	4,393	66	—	11	49
50	DBR—Recreation Vehicle Standards	225	206	—	19	—	50
51	DBR—Real Estate Education	98	95	—	3	—	51
53	DBR—Division of Public Utilities	2,275	2,275	—	—	—	53
54	DBR/DPU—Professional Services	240	238	2	—	—	54
55	DBR—Committee on Consumer Services	328	318	10	—	—	55
56	DBR/CCS—Professional Services	235	138	97	—	—	56
64	DBR—Building Maintenance	138	138	—	—	—	64
59	Financial Institutions	1,474	1,331	—	143	—	59
65	FI—Building Maintenance	28	28	—	—	—	65
61	Insurance Department	1,792	1,725	67	—	—	61
67	ID—Building Maintenance	44	44	—	—	—	67
52	Public Service Commission	992	986	6	—	—	52
68	PSC—Building Maintenance	24	24	—	—	—	68
	Total Business, Labor & Agriculture	$ 24,172	22,890	$ 273	$ 266	$ 743	
	Intrafund Eliminations		(113)				
	Net Business, Labor & Agriculture		$ 22,777				

Statement of Expenditures – Detail – Budget and Actual – General Fund

continued

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted And Other	Non-Lapse or (Deficit) Carryforward	Line Item #
COMMUNITY & ECONOMIC DEVELOPMENT							
	Community & Economic Development	$ 1,139	$ 1,134	$ 1	$	$ 4	70
	Office of Job Training	17,875	17,875				71
72	Indian Affairs Division	91	91				72
73	Asian Affairs	37	37				73
74	Black Affairs	33	33				74
75	Hispanic Affairs	80	80				75
84	Community Services Office	1,316	1,316				84
77	Utah Technology Finance Agency	1,750	1,750				77
76	Economic & Industrial Develop.	2,884	2,786	8		90	76
78	Travel Development	3,999	3,978	21			78
79	Expositions	1,673	1,669			3	79
80	State History	1,636	1,609			27	80
81	Fine Arts	2,062	2,062				81
82	State Library Division	3,600	3,600				82
	Library Revolving Fund	758	661	101			
83	Community Development	8,088	8,088				83
85	Community Impact Grants	8,576	8,514	59		3	85
	Flood Relief	20,631	7,673			12,958	
	Total Community & Economic Dev.	$ 79,802	$ 72,910	$ 190	$ 0	$ 6,702	
	Intrafund Eliminations		(262)				
	Net Community & Economic Dev.		$ 72,648				
TAX ANTICIPATION NOTES							
	Interest Charges	$ 1,677	$ 1,677	$	$	$	
	Total Tax Anticipation Notes	$ 1,677	$ 1,677	$ 0	$ 0	$ 0	

Special Revenue Funds

Combining Balance Sheet
Special Revenue Funds

June 30, 1986 (Expressed in Thousands)

	Uniform School Fund	Trans-portation Fund	Total June 30, 1986
Assets			
Cash and Cash Equivalents	$ 13,056	$ 444	$ 13,500
Receivables			
Accounts	4,515	54,109	58,624
Notes	1,700		1,700
Unbilled		9,134	9,134
Due From Other Funds	1,912	517	2,429
Inventories	134	12,856	12,990
Deferred Charges	—	470	470
Total Assets	$ 21,317	$ 77,530	$ 98,847
Liabilities and Fund Equity			
Liabilities			
Vouchers Payable	$ 11,555	$ 29,284	$ 40,839
Contracts Payable	—	2,086	2,086
Accrued Liabilities	1,092	2,506	3,598
Due To Other Funds	563	31,432	31,995
Deferred Revenue	235	9,134	9,369
Total Liabilities	13,445	74,442	87,887
Fund Equity			
Reserved			
Reserved for Under Recovered Cost	—	470	470
Restricted by State Law	6,172	2,618	8,790
Reserved for School Building Loans	1,700	—	1,700
Total Fund Equity	7,872	3,088	10,960
Total Liabilities and Fund Equity	$ 21,317	$ 77,530	$ 98,847

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Uniform School Fund	Transportation Fund	Total June 30, 1986
Revenues:			
Unrestricted			
Individual Income Tax	$ 453,537	$	$ 453,537
Corporate Franchise Tax	84,048		84,048
Motor and Special Fuel Tax		111,533	111,533
Licenses, Fees and Permits		34,662	34,662
Interest on Investments	11,227		11,227
Miscellaneous Taxes and Other	11,241		11,241
Total Unrestricted	560,053	146,195	706,248
Restricted			
Federal Contracts and Grants	86,017	197,725	283,742
Departmental Collections	5,033	4,484	9,517
Aeronautics		13,381	13,381
Miscellaneous	10,874		10,874
Total Restricted	101,924	215,590	317,514
Total Revenues	661,977	361,785	1,023,762
Expenditures:			
Public Education	734,862		734,862
Transportation		343,860	343,860
Total Expenditures	734,862	343,860	1,078,722
Excess of Revenues Over (Under) Expenditures	(72,885)	17,925	(54,960)
Other Financing Sources (Uses)			
Operating Transfers In	86,590	17,595	104,185
Operating Transfers (Out)	(18,006)	(36,359)	(54,365)
Total Other Financing Sources (Uses)	68,584	(18,764)	49,820
Excess Revenues and Other Sources (Under) Expenditures and Other Uses	(4,301)	(839)	(5,140)
Beginning Fund Balance	12,173	3,927	16,100
Ending Fund Balance	$ 7,872	$ 3,088	$ 10,960

Statement of Revenues – Budget and Actual – Uniform School Fund – Detail by Source

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted:			
Individual Income Tax	$ 469,000	$ 453,537	$ (15,463)
Corporate Franchise Tax	86,700	84,048	(2,652)
Interest on Investments	18,000	11,227	(6,773)
Miscellaneous Taxes	10,500	11,245	745
Total Unrestricted Revenues	584,200	560,057	(24,143)
Restricted:			
Federal Contracts and Grants	86,173	86,173	0
Departmental Collections	4,947	5,033	86
Miscellaneous			
School Lunch Tax	8,786	8,786	0
Drivers Education Tax	2,301	2,301	0
Other	1,165	1,023	(142)
Total Restricted Revenues	103,372	103,316	(56)
Total Uniform School Fund Revenues	$ 687,572	663,373	$ (24,199)
Intrafund Eliminations		(1,396)	
Net Uniform School Fund Revenues - GAAP Basis		$ 661,977	

Statement of Expenditures – Detail – Budget and Actual – Uniform School Fund

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted Other	Non-Lapse or (Deficit) Carryforward	Line Item #
PUBLIC EDUCATION							
—	Indirect Cost Pool	$ 495	$ 495	$ —	$ —	$ —	
207	Vocational Education	1,474	521	—	—	953	207
205	State Training School	1,584	1,584	—	—	—	205
206	Educational Excellence	566	194	—	—	372	206
210	Bd. of Ed.—Utah Symphony	433	433	—	—	—	210
211	Bd. of Ed.—Ballet West	127	127	—	—	—	211
213	Bd. of Ed.—Utah Opera Company	66	66	—	—	—	213
212	Bd. of Ed.—Hansen Planetarium	151	151	—	—	—	212
—	Bd. of Ed.—Commodities	8,862	8,862	—	—	—	
208	Area Vocational & Skill Centers	7,877	7,877	—	—	—	208
—	Minimum School Program	601,432	600,358	—	—	1,074	
204	Board of Education	103,262	101,169	—	—	2,093	204
209	Schools for the Deaf and Blind	7,594	7,537	—	—	57	209
—	Vocational Education Non-Approp.	7,672	6,884	—	—	788	
	Total Public Education	$ 741,595	736,258	$ 0	$ 0	$ 5,337	
	Intrafund Eliminations		(1,396)				
	Net Public Education		$ 734,862				

Statement of Revenues – Budget and Actual – Transportation Fund – Detail by Source

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

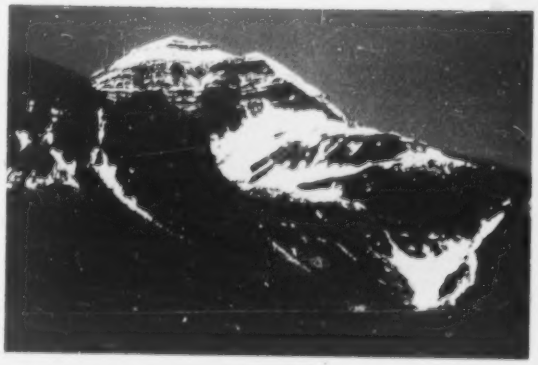
	Budget	Actual	Variance Favorable (Unfavorable)
Unrestricted			
Motor Fuel Tax	$ 95,000	$ 92,164	$ (2,836)
Special Fuel Tax	18,800	19,369	569
Licenses, Fees and Permits			
Motor Vehicle Registration Fees	18,200	18,104	(96)
Proportional Registration Fees	4,000	4,332	332
Temporary Permits	1,500	1,270	(230)
Special Transportation Permits	3,000	2,517	(483)
Highway Use Permits	2,100	2,171	71
Drivers License	4,400	4,200	(200)
Motor Vehicle Control Fees	1,000	1,014	14
Miscellaneous	800	1,054	254
Total Unrestricted Revenues	148,800	146,195	(2,605)
Restricted			
Federal Contracts and Grants	197,725	197,725	0
Departmental Collections	4,483	4,484	1
Aeronautics Fund	13,156	13,381	226
Total Restricted Revenues	215,363	215,590	227
Total Transportation Fund Revenues	$ 364,163	361,785	$ (2,378)
Inventory Encumbrances			
Total Transportation Fund Revenues - GAAP Basis		$ 361,785	

Statement of Expenditures – Detail – Budget and Actual – Transportation Fund

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

Line Item #	Appropriation Line Item Description	Budget as Appropriated and Amended	Actual Expenditures	Lapse To Unrestricted	Lapse to Restricted Other	Non-Lapse or (Deficit) Carryforward	Line Item #
DEPARTMENT OF TRANSPORTATION							

Enterprise Funds



State of Utah

Combining Balance Sheet
Enterprise Funds

June 30, 1986 (Expressed in Thousands)

	Alcoholic Beverage Control	Housing Finance Agency	Worker's Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Correctional Industries	Total June 30 1986
Assets								

Combining Statement of Revenues, Expenses and Changes in Retained Earnings – Enterprise Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Alcoholic Beverage Control	Housing Finance Agency	Worker's Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Correctional Industries	Total June 30, 1986
Operating Revenues								
Interest on Investments	$	$ 10,227	$	$ 2,803	$	$ 139	$	$ 13,169
Sales								
Liquor Sales (Net of $12,736 Sales and Excise Liquor Tax)	68,677							68,677
Licenses, Permits and Fees	504							504
Charges for Services-Premiums		5,156	38,087	2,436	236		1,330	47,245
Interest on Mortgages/Notes		52,438		11,706				64,144
Miscellaneous		9		4,776		230	17	5,032
Total Operating Revenue	69,181	69,830	38,087	21,721	236	369	1,347	200,771
Cost of Goods Sold	42,540				623		2,254	45,417
Gross Profit	26,641	69,830	38,087	21,721	1,613	369	1,093	155,354
Operating Expenses								
Administration	6,870	3,665	487	1,368	330	509	1,230	14,459
Rentals and Leases	562					12	28	602
Maintenance	734				7		86	827
Interest		74,642		12,753				87,395
Depreciation	674	40	159	142	13	6	19	1,053
Benefit Claims			19,611					19,611
Supplies and Other Miscellaneous	178			17	11	11	684	901
Total Operating Expenses	8,964	78,347	20,257	14,280	361	570	2,047	124,846
Total Operating Income	17,677	(8,517)	(17,450)	7,441	1,252	(201)	(954)	30,508
Non-Operating Income (Expense)								
Interest on Investments			11,691					11,691
Gain on Investments			243					243
Other Non-Operating Sources				20				20
Loss on Sale of Fixed Assets	(2)				(20)			(22)
Total Non-Operating Income (Expenses)	(2)	0	11,934	20	(20)	0	0	11,932
Income Before Operating Transfers	17,675	(8,517)	(5,516)	7,461	1,232	(201)	(954)	42,440
Other Financing Uses								
Operating Transfers (Out)	(17,675)		(2,774)					(20,449)
Net Income After Operating Transfers	(0)	(8,517)	(8,290)	7,461	1,232	(201)	(954)	21,991
Beginning Retained Earnings	0	54,800	55,913	28,132	71	(23)	954	139,848
Ending Retained Earnings Before Dividends	0	46,283	47,623	35,593	1,303	(224)	0	161,839
Dividends Declared			(6,163)					(14,102)
Ending Retained Earnings	$ 0	$ 46,283	$ 41,460	$ 35,593	$ 1,303	$ (224)	$ 0	$ 147,737

Combining Statement of Changes in Financial Position Enterprise Funds

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

	Alcoholic Beverage Control	Housing Finance Agency	Worker's Compensation	Student Assistance Programs	Blind Industries	Technology Finance Corporation	Correctional Industries	Total June 30, 1986
Sources of Working Capital:								
Operations:								
Net Income	$ (333)	$ 11,473	$ 7,709	$ 3,473	$ (170)	$ (171)	$ 5	$ 20,150
Items Not Requiring Working Capital:								
Depreciation	474		159	142	33	61	45	969
Amortization of Deferred Charges/Income		995		52				959
Loss on Disposition of Property and Equipment	2				6			8
Total Sources From Operations	1,067	+ 12,468	7,709	3,667	(131)	(110)	50	22,086
Increase in Policy Claim Liability			7,977					7,977
Additions to Long-Term Debt		8,000		20,764				28,764
Decrease in Contributed Working Capital								
Net of $396 accumulated depreciation								
Transferred from General Fund								
Assets Account Group	428				29	1,532	1,697	3,686
Decrease in Other Investments				288				288
Decrease in Mortgage Notes Receivable		1,086		29,744				30,829
Proceeds on Disposal of Property and Equipment	23							23
Decrease in Deferred Charges				283				283
Total Sources of Working Capital	1,518	21,554	15,686	54,946	(102)	1,422	1,747	96,771
Uses of Working Capital:								
Net Fixed Asset Investment Decrease			15,167					15,167
Increase in Other Investments		2,561	6,474					9,035
Increase in Mortgage Notes Receivable		52,439		32,124				84,563
Acquisition of Property and Equipment								
Net of $396 accumulated depreciation								
Transferred to/from General Fund								
Assets Account Group	250	33	23		29	21	597	953
Increase in Deferred Charges		755						755
Payments on Long-Term Debt		20,708		1,800				22,508
Decrease in Contributed Working Capital	61	771						832
Total Uses of Working Capital	311	77,277	21,664	33,924	29	21	597	133,823
Increase (Decrease) in Working Capital	$ 1,207	$ (55,723)	$ (5,978)	$ 21,022	$ (131)	$ 1,401	$ 1,150	$ (37,052)
Elements of Net Increase (Decrease) in Working Capital:								
Cash and Cash Equivalents	$	$ (53,331)	$ (7,705)	$ 11,878	$	$ 1,341	$ 1,672	$ (44,911)
Accounts Receivable Due from Others								
Current	(154)		651	651	34	60	1,584	2,826
Notes Receivable Current Portion		864		800				1,664
Accrued Interest		477	1,080		1			(11)
Inventories	(30)							(1,967)
Prepaid Expenses	1	25			30		643	1,419
Accounts Pay. Acc. Exp. Due to Others							42	834
Liabilities:								
Current Portion Long-Term Debt		(1,423)	(1,415)	(844)	(195)	(79)	(1,213)	(6,169)
Claims Payable			(2,691)					(2,691)
Accrued Interest	(1)	(333)						(334)
Notes Payable Long-Term Portion		(1,477)	(2,898)					(4,375)
Increase (Decrease) in Working Capital	$ 1,207	$ (55,723)	$ (5,978)	$ 21,022	$ (131)	$ 1,401	$ 1,150	$ (37,052)

Internal Service Funds

Combining Balance Sheet Internal Service Funds

June 30, 1986 (Expressed in Thousands)

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Administration	Central Mailing	Central Stores
Assets							
Current Assets							
Cash and Cash Equivalents	$ 39,680	$ 716	$ 12,998	$ 18,050	$ 48	$	$
Accounts Receivable	8	241	411			1	29
Notes Receivable	7,383			3,012			
Accrued Interest	4,299		196	1,136			
Due From Other Funds	40	3,112			1	255	160
Inventories		304				110	647
Prepaid Expenses		163					
Total Current Assets	51,410	4,536	13,605	22,198	49	366	836
Other Assets							
Other Investments	6,000		5,506				
Long Term Portion of Notes Receivable	124,660			57,677			
Total Other Assets	130,660	0	5,506	57,677	0	0	0
Fixed Assets							
Buildings and Improvements							
Machinery and Equipment		20,252	474		32	225	53
Accumulated Depreciation		(10,248)	(330)		(13)	(39)	(15)
Construction in Progress		40					
Total Fixed Assets	0	10,044	144	0	19	186	38
Total Assets	$ 182,070	$ 14,580	$ 19,255	$ 79,875	$ 68	$ 552	$ 874
Liabilities and Fund Equity							
Liabilities							
Current Liabilities							
Vouchers Payable	$ 353	$ 1,800	$ 282	$ 249	$ 2	$ 15	$ 88
Accrued Liabilities		1,018			33	8	27
Due To Other Funds		5,008			3	341	487
Deferred Revenue		7	26				
Policy Claim Liabilities Due Within One Year			13,148				
Notes Payable Due Within One Year							
Obligations Under Capital Leases Due Within One Year							
Total Current Liabilities	353	7,833	13,456	249	38	364	602
Long-Term Liabilities							
Advance From Other Funds		1,413				108	170
Policy Claim Liabilities Long-Term Portion			113				
Notes Payable Due After One Year							
Obligations Under Capital Leases Due After One Year							
Total Long-Term Liabilities	0	1,413	113	0	0	108	170
Total Liabilities	353	9,246	13,569	249	38	472	772
Fund Equity							
Contributed Working Capital	157,569	3,605		67,766		62	77
Retained Earnings	24,148	1,729	5,686	11,860	30	18	25
Total Fund Equity	181,717	5,334	5,686	79,626	30	80	102
Total Liabilities and Fund Equity	$ 182,070	$ 14,580	$ 19,255	$ 79,875	$ 68	$ 552	$ 874

Motor Pool/ Service Station	Surplus Property	Central Printing	Communi-cations	Social Services/ Internal Service	Prison Services	Office of Ed.-ucation/Off-ice of Super-intendent	Natural Resources	Administrative Services/ Risk Management	Property Management	Total June 30, 1986
$	$ 232	$	$ 3,005	$ 23	$	$	$ 550	$ 565	$	$ 75,867
27	102	44	96	25		9	25	171	11	1,200
										10,395
286	28	480	1,399	495		137	540	21	3,150	5,631
37		131		27		29	159		12	10,104
				2		22				1,456
350	362	655	4,500	572	0	197	1,274	757	3,173	187
										104,840
										11,506
0	0	0	0	0	0	0	0	0	0	182,337
										193,843
	257			4,066						
6,941	159	1,357	2,517	347		129	5,063			4,323
(1,991)	(187)	(436)	(658)	(510)		(34)	(1,243)		163	37,712
									(37)	(15,741)
4,950	229	921	1,859	3,903	0	95	3,820	0	126	40
5,300	$ 591	$ 1,576	$ 6,359	$ 4,475	$ 0	$ 292	$ 5,094	$ 757	$ 3,299	26,334
										$ 325,017
42	$ 14	$ 344	$ 678	$ 376	$	$ 34	$ 110	$ 71	$ 304	$ 4,762
38	339	128	90	144	118	31	21		142	2,137
1,605	74	870	869	61	4,114	34	75	163	2,662	16,366
	1							50		84
	17							586		13,734
										17
		38		18						
1,685	445	1,380	1,637	599	4,232	99	206	870	3,108	56
		695	2,310							37,156
										4,696
	70							3,745		3,858
										70
		16		2,825						
0	70	711	2,310	2,825	0	0	0	3,745	0	2,841
1,685	515	2,091	3,947	3,424	4,232	99	206	4,615	3,108	11,465
										48,621
	30	166	927	712						
3,615	46	(681)	1,485	339	(4,232)	193	4,230		45	235,187
3,615	76	(515)	2,412	1,051	(4,232)	193	658	(3,858)	146	41,209
5,300	$ 591	$ 1,576	$ 6,359	$ 4,475	$ 0	$ 292	4,888	(3,858)	191	276,396
							$ 5,094	$ 757	$ 3,299	$ 325,017

Combining Statement of Revenues, Expenses and Changes in Retained Earnings Internal Service Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Administration	Central Mailing	Central Stores
Operating Revenues:							
Interest on Investments	$ 3,869	$ —	$ 1,556	$ 2,674	$ —	$ —	$ —
Charges for Services/Premiums	(1,028)	18,966	33,879	—	274	1,586	2,041
Total Operating Revenues	2,841	18,966	35,435	2,674	274	1,586	2,041
Operating Expenses:							
Personnel Services	—	7,159	856	—	233	230	245
Materials and Communication	—	610	11	—	6	1,288	1,687
Rentals and Leases	—	105	92	—	—	3	—
Maintenance	—	2,434	—	—	—	39	4
Interest	—	27	—	—	—	—	—
Depreciation	—	3,746	50	—	7	28	6
Benefit Claims	—	—	33,875	—	—	—	—
Miscellaneous Other							
Data Processing	—	1,695	43	—	8	5	10
Postage and Mailing	—	4	74	—	—	2	2
Office Supplies	—	186	67	—	7	2	29
Utilities	—	266	—	—	—	—	—
Unclassified Other	651	600	173	—	5	2	12
Total Operating Expenses	651	16,832	35,241	0	266	1,599	1,995
Total Operating Income (Loss)	2,190	2,134	194	2,674	8	(13)	46
Non-Operating Income (Expenses):							
Gain (Loss) on Sale of Fixed Assets	—	(235)	—	—	—	—	—
Total Non-Operating Income (Expense)	0	(235)	0	0	0	0	0
Income (Loss) Before Operating Transfers	2,190	1,899	194	2,674	8	(13)	46
Other Financing Sources (Uses):							
Operating Transfers In	—	136	—	—	—	—	—
Operating Transfers (Out)	(896)	—	—	(353)	—	—	—
Net Income (Loss) After Operating Transfers	1,294	2,035	194	2,321	8	(13)	46
Beginning Retained Earnings	22,854	(306)	5,492	9,539	22	31	(19)
Adjustment to Beginning Retained Earnings	—	—	—	—	—	—	—
Beginning Retained Earnings as Adjusted	22,854	(306)	5,492	9,539	22	31	(19)
Residual Equity Transfers	—	—	—	—	—	—	—
Ending Retained Earnings	$ 24,148	$ 1,729	$ 5,686	$ 11,860	$ 30	$ 18	$ 27

Motor Pool/ Service Station	Surplus Property	Central Printing	Communi-cations	Social Services/ Internal Service	Prison Services	Office of Ed.-ucation/ Off-ice of Super-intendent	Natural Resources	Administrative Services/ Risk Management	Property Management	Total June 30, 1986
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 46	$ —	$ 8,145
3,032	932	3,151	5,549	3,780	—	652	2,686	2,066	5,652	83,218
3,032	932	3,151	5,549	3,780	0	652	2,686	2,112	5,652	91,363
353	419	1,030	686	966	—	207	161	347	1,039	13,931
37	426	1,898	4,250	66	—	294	603	—	24	11,200
—	2	—	1	1,168	—	21	1	—	1,250	2,643
661	33	77	14	182	—	12	936	—	895	5,287
—	5	7	—	342	—	—	—	—	—	381
962	33	146	308	112	—	20	506	—	25	5,949
—	—	—	—	—	—	—	—	4,381	—	38,256
26	8	23	87	135	—	—	28	—	18	2,086
1	2	2	2	—	—	1	—	72	1	163
20	11	20	17	19	—	126	6	—	10	520
—	18	—	—	420	—	7	1	—	1,810	2,522
39	62	29	107	247	19	37	39	948	533	3,503
2,099	1,019	3,232	5,472	3,657	19	725	2,281	5,748	5,605	86,441
933	(87)	(81)	77	123	(19)	(73)	405	(3,636)	47	4,922
6	(3)	7	—	(7)	—	(24)	(14)	—	(1)	(271)
6	(3)	7	0	(7)	0	(24)	(14)	0	(1)	(271)
939	(90)	(74)	77	116	(19)	(97)	391	(3,636)	46	4,651
—	—	—	—	—	—	—	—	(158)	—	136
—	—	—	—	—	—	—	—	—	—	(1,407)
939	(90)	(74)	77	116	(19)	(97)	391	(3,794)	46	3,380
2,676	136	(607)	1,408	223	(1,290)	290	2,776	(64)	100	43,261
—	—	—	—	—	—	—	(2,509)	—	—	(2,509)
2,676	136	(607)	1,408	223	(1,290)	290	267	(64)	100	40,752
—	—	—	—	—	(2,923)	—	—	—	—	(2,923)
3,615	$ 46	$ (681)	$ 1,485	$ 339	$ (4,232)	$ 193	$ 658	$ (1,858)	$ 146	$ 41,209

Combining Statement of Changes in Financial Position
Internal Service Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Water Resources Loan Fund	Data Processing Fund	Employees Group Insurance	Community Impact Loan Fund	Central Administration	Central Mailing	Central Stores
Sources of Working Capital							
Operations:							
Net Income	$ 1,294	$ 2,035	$ 194	$ 2,321	$ 8	$ (13)	$ 46
Items Not Requiring Working Capital:							
Depreciation		3,746	50		7	28	6
Loss (Gain) on Disposition of Property and Equipment		(25)					
Total Sources from Operations	1,294	6,016	244	2,321	15	15	52
Increase in Advance from Other Funds		2,652					
Increase in Policy Claim Liabilities							
Increase in Contributed Working Capital (net of $2,257 accumulated depreciation) transferred in from General Fixed Asset Account Group	28,500	3,405		4,172			
Proceeds on Disposal of Property and Equipment		260			4	2	
Total Sources of Working Capital	29,794	12,333	244	6,493	19	17	52
Uses of Working Capital							
Increase in Other Investments	4,400		1,544				
Increase in Mortgage/Notes Receivable	9,513			11,969			
Acquisition of Property and Equipment (net of $2,257 accumulated depreciation) transferred in from General Fixed Asset Account Group		6,816	60		7	60	20
Decrease in Advance from Other Funds		4,926				25	6
Decrease in Policy Claim Liabilities			37				
Decrease in Notes Payable							
Payments on Long Term Debt							
Residual Equity Transfers Out							
Total Uses of Working Capital	9,913	11,049	1,641	11,969		85	72
Net Increase (Decrease) in Working Capital	$ 19,881	$ 1,284	$ (997)	$ (5,476)	$ 19	$ (44)	$ (20)
Elements of Net Increase (Decrease) in Working Capital							
Cash and Cash Equivalents	$ 17,670	$ 776	$ 1,338	$ (1,078)	$ 15	$	$
Accounts Receivable Due from Other Funds	(2,656)	330	117		15	(1)	3
Notes Receivable Current Portion				661			
Accrued Interest	4,117		150	436			
Inventories		276				30	10
Prepaid Expenses		141					
Vouchers Pay. Acc. Liab. Due to Other Funds	250			(349)	(1)	(100)	(31)
Policy Claim Liabilities Current Portion			(2,000)				
Deferred Revenue			58				
Current Portion of Long Term Obligations			(1)				
Net Increase (Decrease) in Working Capital	$ 19,881	$ 1,284	$ (997)	$ (5,476)	$ 19	$ (44)	$ (20)

Motor Pool/ Service Station	Surplus Property	Central Printing	Communi-cations	Social Services/ Internal Service	Prison Services	Office of Education/ Office of Superintendent	Natural Resources	Administrative Services/ Risk Management	Property Management	Total June 30, 1986
$ 939	$ (90)	$ (74)	$ 77	$ 116	$ (19)	$ (97)	$ 391	$ (3,794)	$ 46	$ 3,380
962	33	146	308	112	—	20	506	—	25	5,949
(6)	3	(7)	—	7	—	24	14	—	1	271
1,895	(54)	65	385	235	(19)	(53)	911	(3,794)	72	9,600
—	—	486	2,239	—	—	—	—	—	—	5,377
—	—	—	—	—	—	—	—	1,910	—	1,910
—	—	10	927	—	—	—	1,365	—	45	48,424
171	—	15	—	—	489	—	48	—	4	993
2,066	(54)	576	3,551	235	470	(53)	2,324	(1,884)	121	66,304
—	—	—	—	—	—	—	—	—	—	5,444
—	—	—	—	—	—	—	—	—	—	17,472
2,197	20	435	1,801	50	—	6	2,433	—	156	14,045
—	—	180	—	—	—	—	—	—	—	4,508
—	14	—	—	—	—	—	—	—	—	37
—	—	29	—	18	—	—	—	—	—	14
—	—	—	—	—	—	—	—	—	—	47
—	—	—	—	—	2,923	—	—	—	—	2,923
2,197	34	644	1,801	68	2,923	6	2,433	0	156	44,490
$ (131)	$ (88)	$ (68)	$ 1,750	$ 167	$ (2,453)	$ (59)	$ (109)	$ (1,884)	$ (35)	$ 21,814
$	$ (171)	$	$ 2,880	$ (33)	$	$ (69)	$ (238)	$ (2,394)	$	$ 28,689
(143)	(1)	144	(150)	198	(1,122)	36	235	38	1,539	(1,152)
—	—	—	—	—	—	—	—	—	—	661
6	—	(1)	—	(2)	(768)	(4)	(64)	—	5	1,255
(4)	—	—	—	—	—	7	—	—	—	(322)
—	—	—	—	—	—	—	—	(20)	—	(162)
10	90	(224)	(980)	1	(563)	(29)	(42)	1,066	(1,579)	(3,246)
—	(1)	—	—	—	—	—	—	(586)	—	(3,921)
—	—	—	—	—	—	—	—	12	—	(1)
—	(9)	13	—	3	—	—	—	—	—	13
$ (131)	$ (88)	$ (68)	$ 1,750	$ 167	$ (2,453)	$ (59)	$ (109)	$ (1,884)	$ (35)	$ 21,814

Trust and Agency Funds

Combining Balance Sheet
Trust and Agency Funds

June 30, 1986 (Expressed in Thousands)

	Pension Trust Funds	Non-Expendable Trust Funds			
	State Retirement Systems	Land Board	Expendable Trust Funds	Agency Funds	Total June 30, 1986
Assets					
Cash and Cash Equivalents	$ 312,726	$ 6,419	$ 169,528	$ 361,883	$ 850,556
Other Investments	1,877,066	10,493	7,610	10,000	1,905,169
Receivables:					
Accounts	43,720	654	5,817	415	50,606
Accrued Interest	—	—	631	4,831	5,462
Due From Other Funds	—	11	1,453	10,467	11,931
Land	997	4,363	—	—	5,360
Building and Improvements	2,660	—	—	—	2,660
Machinery and Equipment	2,544	—	—	—	2,544
Accumulated Depreciation	(2,036)	—	—	—	(2,036)
Total Assets	$ 2,237,677	$ 21,940	$ 185,039	$ 387,596	$ 2,832,252
Liabilities and Fund Balances					
Liabilities:					
Vouchers Payable	$ 20,678	$ —	$ 6,106	$ —	$ 26,784
Deposits Held in Custody	—	—	122	—	122
Due to Other Funds	—	—	3,868	—	3,868
Due to Other Individuals or Groups	—	—	—	18,824	18,824
Due to Other Taxing Units	—	—	—	368,772	368,772
Deferred Revenue	—	—	257	—	257
Policy Claim Liabilities	—	—	55,227	—	55,227
Total Liabilities	20,678	0	65,580	387,596	473,854
Fund Balances:					
Reserved Fund Balances	—	21,940	119,459	—	141,399
Reserved for Employees' Retirement System	2,216,999	—	—	—	2,216,999
Total Fund Balances	2,216,999	21,940	119,459	0	2,358,398
Total Liabilities and Fund Balances	$ 2,237,677	$ 21,940	$ 185,039	$ 387,596	$ 2,832,252

Combining Balance Sheet
Pension Trust Funds

June 30, 1986

(Expressed in Thousands)

	Pension Funds						
	State Systems	Public Safety System	Firemen's System	Judges' System	Retirement Investment Fund	Eliminations	Total June 30, 1986
Assets							
Liabilities							
Fund Balances							

Combining Statement of Revenues, Expenses and Changes in Fund Balances – Pension Trust Funds

For The Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Pension Funds						
	State Systems	Public Safety System	Firemen's System	Judges' System	Retirement Investment Fund	Eliminations	Total Pension Funds
Operating Revenues:							
Interest on Investments	$ 177,889	$ 17,937	$ 8,449	$ 1,028	$ 202,949	$ (202,548)	$ 205,704
Member Contributions	133,106	18,326	6,042	377			157,851
Miscellaneous			1,432	486			1,918
Total Operating Revenues	310,995	36,263	15,923	1,891	202,949	(202,548)	365,473
Operating Expenses:							
Depreciation					401		401
Benefit Claims	51,525	7,609	4,237	473			63,844
Contribution Refunds	21,163	898	109	40			22,210
Total Operating Expenses	72,688	8,507	4,346	513	401	0	86,455
Income Before Operating Transfers	238,307	27,756	11,577	1,378	202,548	(202,548)	279,018
Other Financing Sources (Uses):							
Operating Transfers Net (Note L)	(6,297)	205	(80)	(20)	68,798	(68,798)	(6,192)
Net Income	232,010	27,961	11,497	1,358	271,346	(271,346)	272,826
Beginning Fund Balances	1,711,179	170,065	81,047	9,906	1,934,084	(1,934,084)	1,972,197
Adjustment to Beginning Fund Balances (Note C)	(28,024)						(28,024)
Adjusted Beginning Fund Balances	1,683,155	170,065	81,047	9,906	1,934,084	(1,934,084)	1,944,173
Ending Fund Balances	$ 1,915,165	$ 198,026	$ 92,544	$ 11,264	$ 2,205,430	$ (2,205,430)	$ 2,216,999

Combining Statement of Changes in Financial Position – Pension Trust Funds

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

	Pension Funds						
	State Systems	Public Safety System	Firemen's System	Judges' System	Retirement Investment Fund	Eliminations	Total Pension Funds
Sources of Working Capital:							
Operations:							
Net Income	$ 232,010	$ 27,961	$ 11,497	$ 1,358	$ 271,346	$ (271,346)	$ 272,826
Items Not Requiring Working Capital:							
Depreciation					401		401
Total Sources of Working Capital	232,010	27,961	11,497	1,358	271,747	(271,346)	273,227
Uses of Working Capital:							
Increase in Other Investments	230,456	27,607	11,691	1,592	138,903	(271,346)	138,903
Acquisition of Property and Equipment					478		478
Total Uses of Working Capital	230,456	27,607	11,691	1,592	139,381	(271,346)	139,381
Net Increase (Decrease) in Working Capital	$ 1,554	$ 354	$ (194)	$ (234)	$ 132,366	$ 0	$ 133,846
Elements of Net Increase (Decrease) in Working Capital:							
Cash and Cash Equivalents	$ (3)	$ (8)	$ (1)	$	$ 138,709	$	$ 138,697
Accounts Receivable/Due from Other Funds	1,724	362	(193)	(234)	3,166		4,825
Vouchers Pay./Acc. Liab./Due to Other Funds	(167)				(9,509)		(9,676)
Net Increase (Decrease) in Working Capital	$ 1,554	$ 354	$ (194)	$ (234)	$ 132,366	$ 0	$ 133,846

Combining Balance Sheet
Expendable Trust Funds

June 30, 1986

(Expressed in Thousands)

	Unemployment Compensation Trust	Second Injury	Indian Affairs	Restricted	Total June 30, 1986
Assets					
Cash and Cash Equivalents	$ 153.106	$ 11.562	$ 1.928	$ 2.932	$ 169.528
Other Investments	—	—	7.354	256	7.610
Receivables					
Accounts	4.915	—	902	—	5.817
Accrued Interest	—	—	351	280	631
Due From Other Funds	—	—	—	1.453	1.453
Total Assets	$ 158.021	$ 11.562	$ 10.535	$ 4.921	$ 185.039
Liabilities and Fund Balances					
Liabilities					
Vouchers Payable	$ 5.732	$ 336	$ —	$ 38	$ 6.106
Deposits Held in Custody	122	—	—	—	122
Due to Other Funds	1.077	—	—	2.791	3.868
Deferred Revenue	—	—	257	—	257
Policy Claim Liabilities	—	55.227	—	—	55.227
Total Liabilities	6.931	55.563	257	2.829	65.580
Fund Balances					
Reserved Fund Balances	151.090	(44.001)	10.278	2.092	119.459
Total Liabilities and Fund Balances	$ 158.021	$ 11.562	$ 10.535	$ 4.921	$ 185.039

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Expendable Trust Funds

For the Fiscal Year Ended June 30, 1986

(Expressed in Thousands)

	Unemployment Compensation Trust	Second Injury	Indian Affairs	Restricted	Total June 30, 1986
Revenues:					
Federal Contracts and Grants	$ 4,697	$	$	$	$ 4,697
Interest on Investments	14,707	886	1,148		16,741
Premiums & Other Collections	110,539				110,539
Miscellaneous	1,086	1,974	2,490	3,053	8,603
Total Revenues	131,029	2,860	3,638	3,053	140,580
Expenditures:					
General Government				2,588	2,588
Social Services/Claims		27,231			27,231
Community and Economic Development			4,702		4,702
Unemployment Claims	101,319				101,319
Public Education				576	576
Total Expenditures	101,319	27,231	4,702	3,164	136,416
Excess of Revenues Over (Under) Expenditures	29,710	(24,371)	(1,064)	(111)	4,164
Other Financing (Uses):					
Operating Transfer (Out)	(1,086)	(74)	(47)	(171)	(1,378)
Excess Revenues Over (Under) Expenditures and Other Uses	28,624	(24,445)	(1,111)	(282)	2,786
Beginning Fund Balances	122,466	(19,556)	11,389	2,374	116,673
Ending Fund Balances	$ 151,090	$ (44,001)	$ 10,278	$ 2,092	$ 119,459

Combining Statement of Changes in Assets and Liabilities – All Agency Funds

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	Balance June 30, 1985	Additions	Deductions	Balance June 30, 1986
STATE TREASURER'S INVESTMENT POOLS				
ASSETS				
Cash and Cash Equivalents	$ 227,785	$ 832,286	$ 738,268	$ 321,803
Other Investments	20,008		10,008	10,000
Receivables				
Accrued Interest	5,773	4,681	5,773	4,681
Due From Other Funds	11	12,286	11,873	424
Total Assets	$ 253,577	$ 849,253	$ 765,922	$ 336,908
LIABILITIES				
Due To Other Individuals/Groups	$ 184	$ 660	$ 634	$ 210
Due To Other Taxing Units	253,393	86,087	2,782	336,698
Total Liabilities	$ 253,577	$ 86,747	$ 3,416	$ 336,908
SOCIAL SECURITY AGENCY FUND (FOR OTHER GOVERNMENTS)				
ASSETS				
Cash and Cash Equivalents	$ 10,799	$ 220,272	$ 225,689	$ 5,382
Due From Other Funds		14,002	14,002	0
Total Assets	$ 10,799	$ 234,274	$ 239,691	$ 5,382
LIABILITIES				
Due To Other Taxing Units	$ 10,799	$ 1,933	$ 7,350	$ 5,382
Total Liabilities	$ 10,799	$ 1,933	$ 7,350	$ 5,382
STATE EMPLOYEE AGENCY FUND				
ASSETS				
Cash and Cash Equivalents	$ 631	$ 13,237	$ 1,709	$ 12,159
Receivables				
Accounts		384		384
Accrued Interest		150		150
Due From Other Funds		22	22	0
Total Assets	$ 631	$ 13,793	$ 1,731	$ 12,693
LIABILITIES				
Due To Other Individuals/Groups	$ 631	$ 13,464	$ 1,402	$ 12,693
Total Liabilities	$ 631	$ 13,464	$ 1,402	$ 12,693
COUNTY AND LOCAL COLLECTIONS FUND				
ASSETS				
Cash and Cash Equivalents	$ 15,767	$ 186,597	$ 185,455	$ 16,909
Receivables				
Accounts	6		6	0
Due From Other Funds	9,391	26,221	26,206	9,406
Total Assets	$ 25,164	$ 212,818	$ 211,667	$ 26,315
LIABILITIES				
Due To Other Individuals/Groups	$ 720	$ 1,352	$ 1,432	$ 636
Due To Other Taxing Units	24,444	179,766	178,535	25,679
Total Liabilities	$ 25,164	$ 181,118	$ 179,967	$ 26,315

Combining Statement of Changes in Assets and Liabilities – All Agency Funds

continued

For the Fiscal Year Ended June 30, 1988

(Expressed in Thousands)

	Balance June 30, 1987	Additions	Deductions	Balance June 30, 1988
CONTRACTOR'S RETENTION FUND				
ASSETS				
Cash and Cash Equivalents	$ 525	$ 2,947	$ 1,752	$ 1,720
Due From Other Funds	216	1,006	941	401
Total Assets	$ 741	$ 3,953	$ 2,693	$ 2,121
LIABILITIES				
Due To Other Individuals/Groups	$ 741	$ 1,044	$ 64	$ 1,721
Total Liabilities	$ 741	$ 1,044	$ 64	$ 1,721
DEPOSITS, SUSPENSE, AND MISCELLANEOUS FUND				
ASSETS				
Cash and Cash Equivalents	$ 998	$ 126,434	$ 123,656	$ 4,776
Receivables				
Accounts	31			31
Due From Other Funds	3,294	3,283	6,141	436
Total Assets	$ 4,323	$ 129,717	$ 129,897	$ 4,587
LIABILITIES				
Due To Other Individuals/Groups	$ 898	$ 6,595	$ 3,919	$ 3,574
Due To Other Taxing Units	1,429	45,352	45,808	1,013
Total Liabilities	$ 4,327	$ 51,947	$ 49,727	$ 4,587
TOTAL ASSETS AND LIABILITIES - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 254,539	$ 1,383,773	$ 1,276,429	$ 361,883
Other Investments	20,008		10,008	10,000
Receivables				
Accounts	37	384	6	415
Accrued Interest	5,773	4,831	5,773	4,831
Due From Other Funds	12,912	56,820	59,265	10,467
Total Assets	$ 293,269	$ 1,445,808	$ 1,351,481	$ 387,596
LIABILITIES				
Due To Other Individuals/Groups	$ 3,160	$ 23,115	$ 7,451	$ 18,824
Due To Other Taxing Units	290,109	313,138	234,475	368,772
Total Liabilities	$ 293,269	$ 336,253	$ 241,926	$ 387,596

General Fixed Assets

General Fixed Assets by Function and Activity

June 30, 1986 (Expressed in Thousands)

	Land	Buildings and Improvements	Equipment	Total General Fixed Assets
General Government:				
Control:				
Legislative	$	$	$ 1,003	$ 1,003
Executive			1,092	1,092
Judicial	996	3,921	2,667	7,584
Total Control	996	3,921	4,762	9,679
Government Operations:				
Administrative Services (A)(B)	6,179	57,486	1,234	64,899
Tax Commission			4,911	4,911
Executive Reorganization			12	12
Employment Security	864	3,507		4,371
Personnel Review Board			7	7
Total Government Operations	7,043	60,993	6,164	74,200
Total General Government	8,039	64,914	10,926	83,879
Business, Labor and Agriculture:				
Agriculture	173	4,412	1,111	5,696
Business Regulation			948	948
Financial Institutions			52	52
Industrial Commission			508	508
Insurance Department			383	383
Public Service Commission			121	121
Total Business, Labor and Agriculture	173	4,412	3,123	7,708
Natural Resources	38,948	20,982	7,887	67,817
Higher Education			335	335
Public Education	3,577	26,107	10,513	40,197
Social Services	1,302	42,020	8,891	52,213
Corrections	270	56,001	3,573	59,844
Health	60	3,597	7,653	11,310
Public Safety	3,542	13,686	8,869	26,097
Transportation	12,331	39,586	60,040	111,957
Community and Economic Development (B)	85	5,773	5,251	11,109
Total General Fixed Assets Allocated to Functions	$ 68,327	$ 277,078	$ 127,061	472,466
Construction In Progress				43,712
Total General Fixed Assets				$ 516,178

(A) Administrative Services' assets include the general buildings and land of the State.
(B) Building costs totaling $130,000 previously reported under Community and Economic Development are now reported under Administrative Services.

Changes in General Fixed Assets by Function and Activity

For the Fiscal Year Ended June 30, 1986 (Expressed in Thousands)

	General Fixed Assets June 30, 1985	Additions	Retirements	General Fixed Assets June 30, 1986
General Government				
Centra				
Legislative	$ 1,226	$ 245	$ 468	$ 1,003
Executive	1,046	292	246	1,092
Judicial	6,532	1,158	106	7,584
Total Centra	8,804	1,695	820	9,679
Government Operations				
Administrative Services (A) (B)	44,502	20,614	217	64,899
Tax Commission	4,297	762	148	4,911
Executive Reorganization	12			12
Employment Security	4,080	29		4,371
Personnel Review Board	7			7
Total Government Operations	52,898	21,667	365	74,200
Total General Government	61,702	23,362	1,185	83,879
Business, Labor and Agriculture				
Agriculture	6,030	126	460	5,696
Business Regulation	818	192	62	948
Financial Institutions	46	12	6	52
Industrial Commission	515	4	11	508
Insurance Department	300	103	20	383
Public Service Commission	87	34		121
Total Business, Labor and Agriculture	7,796	471	559	7,708
Natural Resources	65,100	7,615	4,898	67,817
Higher Education	281	66	12	335
Public Education	31,996	10,541	2,340	40,197
Social Services	49,214	3,687	688	52,213
Corrections	43,284	17,476	916	59,844
Health	10,905	547	142	11,310
Public Safety	23,915	3,557	1,375	26,097
Transportation	103,837	10,450	2,330	111,957
Community and Economic Development (B)	10,599	510		11,109
Total General Fixed Assets Allocated to Functions	408,629	78,282	14,445	472,466
Construction-in-Progress (C)	29,783	60,246	46,317	43,712
Total General Fixed Assets	$ 438,412	$ 138,528	$ 60,762	$ 516,178

(A) Administrative Services' assets include the general buildings and land of the State.
(B) Building costs totaling $13,000 previously reported under Community and Economic Development are now reported under Administrative Services.
(C) Retirements of Construction in Progress are reported as additions to Land and Buildings.

College and University Funds

Combining Balance Sheet
All College and University Funds

June 30, 1986 (Expressed in Thousands)

	Current Funds				
	Unrestricted	Restricted	Loan Funds	Endowment and Similar Funds	Agency Funds
Assets					
Cash and Cash Equivalents	$ 30,558	$ 12,514	$ 899	$ 22,252	$ 70
Other Investments	49,244	22,755	857	31,453	81
Receivables					
Accounts	30,339	15,189	7	2	5
Notes	1,318	116	32,795	581	
Accrued Interest	2,125	1,098	96	65	3
Due From Other Funds	7,914		125	1,358	11
Inventories	11,380	363			1
Prepaid Expenses	2,052	967		115	10
Land					
Buildings and Improvements					4
Machinery and Equipment					1
Construction in Progress					
Total Assets	$ 134,930	$ 53,007	$ 34,779	$ 55,826	$ 2,41
Liabilities and Fund Equity					
Liabilities					
Vouchers Payable	$ 21,722	$ 4,528	$	$	$ 2
Contracts Payable					
Accrued Liabilities	35,464	1,948		3,950	6
Deposits Held in Custody	114				1,9
Due To Other Funds	744	3,451			
Deferred Revenue	5,821	1,172			1
Notes Payable	73				
Revenue Bonds Payable					
Total Liabilities	63,938	11,099	0	3,950	2,4
Fund Balances					
Investment in Fixed Assets					
Reserved for					
Encumbrances	13,145	16,210			
Restricted Fund Balances	778		31,144		
Endowment and Similar Funds				26,035	
Reserved Other		25,133			
Unreserved					
Designated - Other	57,067	565	3,561	25,841	
Undesignated	2		74		
Total Fund Balances	70,992	41,908	34,779	51,876	
Total Liabilities and Fund Balance	$ 134,930	$ 53,007	$ 34,779	$ 55,826	$ 2,4

Plant Funds				
Unexpended	Renewal and Replacements	Retirement of Indebtedness	Investment in Plant	Total June 30, 1986
$ 15,614	$ 3,306	$ 4,463	$	$ 90,366
23,524	6,568	10,448		145,686
9,592	222	369		55,776
132				34,942
191	40	123		3,742
536		6,150		16,199
				11,763
53		35		3,328
			17,183	17,183
			582,357	582,787
			282,805	282,893
414			32,578	32,992
$ 50,056	$ 10,136	$ 21,588	$ 914,923	$ 1,277,657
$ 1,858	$ 2	$ 1,263	$	$ 29,624
			2,793	2,793
		56	99	42,142
4	4			1,473
4,190	5,712	11	1,281	15,389
179		65		7,422
			4,398	4,471
10,216		1,347	56,322	67,885
16,447	5,718	2,742	64,893	171,199
			850,030	850,030
803	782	1,387		32,327
11,503	1,290	12,150		56,865
		-		26,035
				25,133
21,303	2,346	5,309		115,992
				76
33,609	4,418	18,846	850,030	1,106,458
$ 50,056	$ 10,136	$ 21,588	$ 914,923	$ 1,277,657

Statistical Section

General Governmental Expenditures by Function(B)

For the Last Nine Fiscal Years (Expressed in Thousands)

Function	Fiscal Year Ended June 30								
	Unaudited 1978(A)	Unaudited 1979(A)	1980(A)	1981(A)	1982	1983	1984	1985	1986
General Government	$ 79,454	$ 80,430	$ 82,704	$ 87,762	$ 95,421	$ 120,811	$ 108,852	$ 118,396	$ 134,201
Business-Like Activities:									
Agriculture	9,983	11,324	13,022	14,481	15,136	16,721	20,729	21,858	22,111
Community and Economic Development	14,706	14,964	18,998	19,573	22,280	24,608	48,615	67,695	57,268
Higher Education	153,333	159,636	169,159	167,431	184,500	206,787	268,379	299,349	364,139
Natural Resources	44,663	47,598	37,808	40,184	39,742	38,270	47,993	50,585	58,669
Social Services/Welfare	276,636	264,896	276,837	327,859	354,076	426,216	467,911	496,168	563,546
Public Education	430,037	457,706	493,980	493,356	496,562	569,009	636,231	647,128	734,862
Transportation and Public Safety	162,919	196,064	247,952	237,113	215,364	229,686	324,686	410,768	880,905
Capital Outlay	42,837	73,684	58,439	54,852	39,809	71,008	58,560	67,017	82,783
Debt Service	74,279	71,675	118,097	87,116	78,128	70,641	83,113	94,023	74,201
Total Expenditures All Governmental Fund Types	$ 1,015,670	$ 1,161,046	$ 1,336,193	$ 1,449,330	$ 1,492,884	$ 1,716,356	$1,949,600	$ 2,211,798	$ 2,369,319

Note: The information for fiscal years 1978 through 1981 was taken from financial reports and budget documents that were not prepared in accordance with GAAP and may not be strictly comparable with later years.

Note: This summary includes expenditures of the State's governmental type funds which include the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund. General Fund appropriations to the colleges and universities reported as transfers in the financial statements have been recorded as Higher Education expenditures.

General Revenues by Source(A)

For the Last Nine Fiscal Years (Expressed in Thousands)

	Fiscal Year Ended June 30								
	Unaudited 1978(C)	Unaudited 1979(C)	1980(C)	1981(C)	1982	1983	1984	1985	1986
Unrestricted									
Sales Taxes	$ 257,368	$ 291,287	$ 321,089	$ 347,380	$ 395,033	$ 388,687	$ 488,455	$ 539,621	$ 542,751
Individual Income Tax	198,054	226,784	265,326	294,817	330,840	346,610	389,959	434,874	453,537
Corporation Franchise Tax	29,438	32,874	40,377	40,665	40,894	34,882	53,227	65,918	84,048
Motor & Special Fuel Tax	56,199	71,223	70,921	66,675	80,406	81,289	83,478	107,128	111,533
Licenses, Permits & Fees	21,967	23,297	26,957	30,810	34,695	42,638	44,922	46,723	48,667
Liquor Control Profits(B)	12,492	12,992	15,054	17,604	19,165(B)	19,005(B)	19,475(B)	18,867(B)	18,096(B)
Local School Districts	14,656	14,890	14,045	6,909		5,740			
Interest on Investments	19,761	28,626	35,736	32,024	41,077	37,930	42,048	99,879	22,154
Misc. Tax & Other	37,303	36,282	(5,876)	48,809	62,976	65,361	98,811	114,233	115,590
Total Unrestricted	637,232	737,745	783,631	885,783	994,094	1,018,142	1,219,975	1,367,243	1,397,226
Restricted									
Restricted Sales Tax							36,686	15,486	15,629
Federal Contracts & Grants	282,228	288,128	375,662	414,344	420,475	467,693	566,069	633,059	775,689
Departmental Collections	28,600	19,500	29,563	58,395	41,518	53,407	57,269	66,499	76,333
Public Education:									
Dedicated Credits	2,789	1,090	252	95	229	77	82	54	
Aeronautics	2,224	3,200	3,715	4,147	2,619	3,821	8,838	13,648	13,981
Federal Mineral Lease	34,634	12,552	14,343	18,153	75,423	36,163	37,468	34,190	37,578
Intergovernmental	13,407	7,120	20,765	26,709	13,361	20,402	18,518	11,340	19,437
Interest on Investments					2,477	818	3,813	2,045	1,780
Miscellaneous	16,568	26,478	45,693	27,306	17,232	20,592	15,697	20,883	15,684
Total Restricted	385,455	378,068	491,793	547,549	574,330	602,883	734,416	796,709	890,506
Total Revenues	$ 992,687	$ 1,115,813	$ 1,274,694	$ 1,433,332	$ 1,568,414	$ 1,621,025	$ 1,954,341	$ 2,163,451	$ 2,287,732

(A) Note: This summary includes revenues of the State Governmental Type Funds which include the General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund.

(B) Note: In the fiscal year June 30, 1982 through 1986 Financial Reports, Liquor Control Profits were reported as a transfer to the General Fund rather than as a free revenue source.

(C) Note: The information for fiscal years 1978 through 1981 was taken from financial reports and budget documents that were not prepared in accordance with GAAP and may not be strictly comparable with later years.

General Obligation Bonds
Ratio of Net General Bonded Debt to Reasonable Fair Cash Value and Net Bonded Debt Per Capita

GENERAL OBLIGATION BONDS

Article XIV, Section 1, of the Utah Constitution limits the State to a total general obligation debt not to exceed 1.5% of the value of the taxable property of the State. Using the latest valuation made in 1986, the debt limit of the State at June 30, 1986 was $774,894,000. During the fiscal year ended June 30, 1986, the State issued $29,950,000 of Prison Bonds for the construction of prison facilities. The State also issued $81,135,000 of Refunding Bonds which were used to defease the following outstanding bond issues: 1983 Highway Bonds, 1983 Capital Improvement Bonds, 1983 Water & Wastewater Bonds, and 1984 Capital Facilities Bonds. This issue brought the State's total general obligation debt outstanding at June 30, 1986 to $217,975,000. Therefore, under the law, the State has $556,919,000 of additional borrowing capacity.

	MATURITY DATES	ORIGINAL ISSUES	OUTSTANDING JUNE 30, 1986
1975 Building Bonds	1981-1988	$ 70,000,000	$ 25,500,000
1978 Building Bonds	1982-1989	$ 25,115,000	17,400,000
1978 Water Bonds	1981-1989	$ 25,000,000	17,500,000
1980 Water Bonds	1981-1989	$ 11,000,000	6,000,000
1982 Water Bonds	1982-1989	$ 14,000,000	11,000,000
1984 Refunding Bonds	1987-1990	$ 29,490,000	29,490,000
1985A Prison Issue	1985-1986	$ 29,950,000	29,950,000
1985B Refunding Issue	1985-1991	$ 81,135,000	81,135,000
Total General Obligation Bonds			$ 217,975,000

RATIO OF NET GENERAL BONDED DEBT TO REASONABLE FAIR CASH VALUE AND NET BONDED DEBT PER CAPITA
FOR THE LAST TEN FISCAL YEARS

EXPRESSED IN THOUSANDS

FISCAL YEAR	POPULATION	REASONABLE FAIR CASH VALUE(B)	GROSS BONDED DEBT	DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM ENTERPRISE REVENUES	DEBT PAYABLE FROM COLLEGE & UNIVERSITY REVENUES	NET(A) BONDED DEBT	RATIO OF NET BONDED DEBT TO REASONABLE FAIR CASH VALUE	NET BONDED DEBT PER CAPITA
1977	1,316,000	$ N/A(B)	$ 218,424	$ 15	$ 75,000	$ 58,424	$ 84,985	N/A(B)	$ 65
1978	1,364,000	11,456,666	286,235	(201)	148,295	57,940	80,201	70%	59
1979	1,416,000	20,964,000	434,070	3,225	251,614	57,341	121,890	58%	86
1980	1,472,000	22,408,000	577,960	1,834	407,272	57,198	111,656	50%	76
1981	1,515,000	30,055,000	628,060	11,837	408,949	65,621	141,653	47%	94
1982	1,558,000	33,135,000	761,551	8,607	539,261	63,965	149,718	45%	96
1983	1,595,000	40,703,333	955,881	6,317	585,782	64,149	299,633	74%	188
1984	1,623,000	46,531,667	1,045,037	48,489	644,230	62,627	289,691	62%	178
1985	1,645,000	51,666,667	1,211,854	48,829	852,701	50,108	260,216	50%	158
1986 est	1,687,600	51,659,623	1,188,306	23,837	839,521	67,835	257,063	50%	152

(A) Note: Includes general obligation bonds plus revenue bonds whose repayment is funded through governmental type fund operations or appropriations.

(B) Note: Beginning in 1986, Utah State Tax Commission determined assessed property values on a reasonable fair cash basis. Years 1978 through 1985 have been restated to reflect the change from assessed value to reasonable fair cash basis. Information for 1977 was not available.

Calculation of Legal Debt Limits
General Obligation Bonded Debt Per Capita
Ratio of Bonded Debt to Reasonable Fair Cash Value

For the Last Nine Fiscal Years

CALCULATION OF LEGAL DEBT LIMITS

(Expressed in Millions)

	Fiscal Year Ended June 30								
	1978	1979	1980	1981	1982	1983	1984	1985	1986
State Assessed Property Value (A)	$ 3,437	$ 4,241	$ 5,682	$ 6,011	$ 6,627	$ 7,237	$ 8,243	$ 9,200	N/A
Legislated Percent (B)	30%	25%	25%	20%	20%	(C)	(D)	(E)	N/A
Reasonable Fair Cash Value (Assessed Value Divided by .15)	11,457	20,964	22,728	30,055	33,135	40,705	46,532	51,667	51,660(A)
Debt Limit (Reasonable Fair Cash Value Times 1.5%)	172	314	341	451	497	611	698	775	775
General Obligation Bonded Debt	(80)	(125)	(118)	(126)	(129)	(237)	(272)	(230)	(218)
Additional General Obligation Debt Incurring Capacity	$ 92	$ 189	$ 223	$ 326	$ 368	$ 374	$ 426	$ 545	$ 557

(A) Source: Utah State Tax Commission
(B) Source: Section 59-5-1 *Utah Code Annotated 1953*, as amended
(C) $2,741,000 valued at 15% and $4,486,000 valued at 20%
(D) $3,193,000 valued at 15% and $5,049,000 valued at 20%
(E) $3,400,000 valued at 15% and $5,800,000 valued at 20%

GENERAL OBLIGATION BONDED DEBT PER CAPITA

	1978	1979	1980	1981	1982	1983	1984	1985	1986
Net General Obligation Bonded Debt Per Capita	$58.65	$88.35	$77.10	$82.17	$83.01	$148.56	$167.55	$139.64	$129.17

RATIO OF BONDED DEBT TO REASONABLE FAIR CASH VALUE

	1978	1979	1980	1981	1982	1983	1984	1985	1986
Ratio of Bonded Debt to Reasonable Fair Cash Value(A)	70%	58%	50%	47%	45%	74%	62%	50%	50%

(A) Bonded debt for this calculation includes general obligation bonds and revenue bonds who's repayment is funded through governmental fund operations or appropriations.

Ratio of Debt Service Expenditures to General and to All Governmental Fund Type Expenditures

For the Last Nine Fiscal Years (Expressed in Millions)

	Fiscal Year Ended June 30								
	1978	1979	1980	1981	1982	1983	1984	1985	1986
General Fund:									
Expenditures	$ 514	$ 592	$ 693	$ 697	$ 759	$ 859	$ 953	$ 1,036	$ 1,137
Debt Service:									
Expenditures	$ 9	$ 11	$ 18	$ 17	$ 19	$ 21	$ 53	$ 64	$ 71
Ratio Debt Service to General Fund Expenditures	1.75%	1.85%	2.59%	2.44%	2.44%	2.44%	5.56%	6.17%	6.24%
Total All Governmental Funds:									
Expenditures	$ 1,076	$ 1,267	$ 1,526	$ 1,435	$ 1,493	$ 1,716	$ 1,949	$ 2,212	$ 2,369
Ratio Debt Service Expenditures to All Governmental Funds:									
Expenditures	0.84%	1.03%	1.18%	1.56%	1.27%	1.22%	2.72%	2.89%	2.99%

Enterprise Funds Revenue Bond Coverage

Revenue Bonds/Notes

ENTERPRISE FUNDS — REVENUE BOND COVERAGE
For the Last Ten Fiscal Years (Expressed in Thousands)

FISCAL YEAR	GROSS REVENUES	DIRECT OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL	INTEREST	TOTAL	COVERAGE
1977	$ —	$ —	$ —	$ —	$ —	$ —	
1978	7,274	4,667	2,607	—	4,313	4,313	60
1979	15,807	10,927	4,880	—	10,074	10,074	48
1980	29,208	19,328	9,880	3,920	17,713	21,633	46
1981	41,530	35,161	6,369	6,450	26,316	32,766	19
1982	38,386	29,882	8,504	8,575	26,575	35,150	24
1983	57,015	46,328	10,687	19,905	43,071	62,976	17
1984	68,814	54,540	14,274	88,690	51,464	140,154	10
1985	83,909	68,231	15,678	21,200	64,287	85,487	18
1986	93,305	80,190	13,115	21,269	74,854	96,123	14

Enterprise Funds Revenue Bond coverage included bonds from the Utah Housing Finance Fund and the Student Assistance Fund.

REVENUE BONDS/NOTES

In addition to general obligation debt, several issues of revenue bonds/notes were outstanding at June 30, 1986.

The Utah Housing Finance Agency has issued mortgage purchase bonds to provide adequate sources of capital for housing of low and moderate income families. The bonds, totaling $809,502,000, are to be repaid from mortgage payments.

The Board of Regents issued Student Loan Bonds to guarantee repayment of eligible student loans and to make loans to eligible students. The bonds are financed and repaid from student interest and loan payments and federal allowances. Outstanding bonds at June 30, 1986, net of unamortized discount, total $30,019,000.

The State of Utah issued Certificates of Participation to finance certain equipment purchases and building construction for use by various State departments. The departments make lease payments which are used to repay the certificates. Outstanding certificates at June 30, 1986 totaled $62,925,000.

The Colleges and Universities have issued bonds for various purposes including student housing, special events centers and student unions. The bonds are secured by the related assets, student building fees and other income of certain college activities. Outstanding bonds at June 30, 1986 totaled $67,885,000.

In the opinion of the bond counsel, the revenue bonds are not a debt, liability, or general obligation of the State of Utah and, therefore, do not impair the legal borrowing capacity of the State.

Revenue Bonds/Notes

REVENUE BONDS	MATURITY DATES	ORIGINAL ISSUES	OUTSTANDING JUNE 30, 1986
Utah Housing Finance Agency:			
Single Family Mortgages			
1977 Series A	1979-2008	$ 75,000,000	$ 55,695,000
1978 Series A	1980-2009	$ 70,000,000	54,030,000
1979 Series A	1980-2010	$ 56,980,000	48,305,000
1980 Series A	1981-2011	$ 100,000,000	86,860,000
1980 Series B	1981-2011	$ 50,000,000	42,395,000
1982 Series A	1984-1999	$ 121,765,000	42,900,000
1983 Series A	1985-2015	$ 51,190,000	50,220,000
1983 Series R	1986-2016	$ 147,060,000	147,060,000
1984 Series A	1987-2016	$ 198,300,000	198,300,000
Subtotal			725,765,000
Multi Family Mortgages			
1978 Series A	2005-2021	$ 3,295,000	3,200,000
1979 Series A	1981-2022	$ 9,375,000	9,150,000
1982 Series A	2024	$ 17,015,000	16,995,000
1982 Series B	1985-2024	$ 5,565,000	5,550,000
1983 Series A	1985-2024	$ 1,420,000	1,415,000
1983 Series 7 and 9	1996	$ 8,210,000	8,155,000
1985 Series A	1988-1998	$ 31,305,000	31,242,000
1985 Series B	2007	$ 6,500,000	6,500,000
1985 Series C	2008	$ 1,530,000	1,530,000
Subtotal			83,737,000
Total Utah Housing Finance Agency Bonds			$ 809,502,000
Board of Regents:			
1979 Student Loan Bonds Net of Unamortized Discount	1979-1996	$ 47,400,000	$ 30,019,000
Utah State Bonding Commission:			
1984A Certificate of Participation	1985-1991	$ 34,490,000	$ 30,525,000
1984B Certificate of Participation	1986-2011	$ 20,700,000	20,700,000
1984C Certificate of Participation	1986-2011	$ 11,700,000	11,700,000
Total Utah State Bonding Commission			$ 62,925,000
Colleges and Universities Revenue Bonds	2003-2020	$ 76,184,000	$ 67,885,000

Population

Taxable Sales, Personal Income

POPULATION

Utah's population grew faster during the decade from 1970 through 1980 than at any other time in its history. During that period there was approximately a 406,000 person increase or 38% growth rate. This growth rate was significantly higher than the national average which was approximately 11%, and slightly higher than the mountain states growth rate which was approximately 37% for the same period. The State's growth rate slowed somewhat during 1982. However, population estimates suggest that Utah's population will be over 2 million by the year 1994.

Utah's population is concentrated in the four county area along the Wasatch Mountain front which includes the Salt Lake City-County area and the surrounding counties of Utah, Davis and Weber with approximately 1,268,000 people or 77% of the total population as of July 1, 1985 estimates.

YEAR	POPULATION
1940	552,000
1950	696,000
1960	900,000
1970	1,066,000
1975	1,234,000
1976	1,272,000
1977	1,316,000
1978	1,364,000
1979	1,416,000
1980	1,472,000
1981	1,515,000
1982	1,558,000
1983	1,595,000
1984	1,623,000
1985	1,645,000
1986 est.	1,687,600

Source: "Statistical Review of Government in Utah" prepared by Utah Foundation from U.S. Bureau of Census Reports.

TAXABLE RETAIL SALES AND PERSONAL INCOME

The following table shows the gross taxable retail sales, total personal income, and per capita income in Utah for the last nine years.

YEAR	GROSS TAXABLE RETAIL SALES(B) (in millions)	TOTAL PERSONAL INCOME(A) (in millions)	PER CAPITA PERSONAL INCOME(A)	PER CAPITA PERCENT OF CHANGE FROM PREVIOUS YEAR
1977	$ 6,312	$ 7,649	$ 5,812	%
1978	7,349	8,811	6,459	11.1
1979	8,131	10,007	7,067	9.4
1980	8,691	11,223	7,624	7.9
1981	9,857	12,619	8,302	8.9
1982	10,020	13,788	8,838	6.5
1983	10,716	14,575	9,002	1.9
1984	12,294	16,052	9,717	7.9
1985	12,574	17,011	10,316	6.2

(A) Source: 1977 through 1983 "Statistical Review of Government in Utah" compiled by the Utah Foundation from reports of the U.S. Department of Commerce. The amounts for 1984 and 1985 from the Utah Department of Employment Security.

(B) Source: Utah State Tax Commission based on Sales and Use tax reports.

Personal Income by Sector

(Expressed in Millions)

	1960	1970	1980	1981	1982	1983	1984	PERCENT OF GROSS 1984 UTAH	PERCENT OF GROSS 1984 U.S.
Government Sector									
Federal Civilian	$ 154	$ 379	$ 686	$ 748	$ 804	$ 861	$ 920	5.4%	2.5%
Federal Military	23	39	113	131	142	160	174	1.0	1.2
State and Local	127	352	1,038	1,147	1,275	1,381	1,483	8.8	7.5
Transfer Payments	118	332	1,371	1,573	1,805	1,972	2,001	11.9	13.2
Total Government	422	1,102	3,208	3,599	4,026	4,374	4,578	27.1	24.4
Private Sector									
Manufacturing	280	454	1,590	1,814	1,850	1,941	2,250	13.3	16.3
Mining	92	127	478	607	605	463	449	2.7	1.1
Construction	100	163	682	679	661	699	849	5.0	3.7
Trade	272	484	1,475	1,626	1,693	1,802	1,975	11.7	11.2
Finance	66	125	428	464	507	531	599	3.6	4.4
Transportation, Utilities and Communications	132	229	788	877	966	1,068	1,120	6.7	5.1
Services and Other Non-Farm	185	384	1,402	1,602	1,762	1,920	2,165	12.8	14.2
Dividends, Interest, Rent	224	418	1,590	1,919	2,329	2,416	2,789	16.5	18.2
Net Farm Income	46	80	135	91	101	89	106	.6	1.4
Total Private	1,397	2,464	8,568	9,679	10,474	10,929	12,302	72.9	75.6
Gross Personal Income	$ 1,819	$ 3,566	$ 11,776	$ 13,278	$ 14,500	$ 15,303	$ 16,880	100.0%	100.0%

Source: "Statistical Review of Government in Utah" compiled by the Utah Foundation from reports of the U.S. Department of Commerce. Information for years 1985 and 1986 is not yet available.

Composition of Civilian Work Force

Average Annual Unemployment Rate

COMPOSITION OF CIVILIAN WORK FORCE
MONTHLY AVERAGE

	1960	1970	1975	1980	June 1985	June 1986
Government						
Federal	28,060	41,088	36,915	37,090	40,100	41,000
State	11,525	23,522	28,847	32,274	35,100	38,100
Local	22,685	35,488	44,568	55,682	62,700	62,900
Total Government	62,270	100,098	110,330	125,046	137,900	142,000
Mining	14,131	12,854	13,275	18,500	9,300	8,100
Construction	14,851	14,708	24,322	31,549	38,000	36,200
Manufacturing	47,549	55,973	67,526	87,700	94,500	93,000
Transportation, Communications & Utilities	22,257	23,128	26,983	34,120	36,800	36,600
Trade	58,816	79,208	104,440	128,678	148,200	153,200
Finance, Insurance and Real Estate	11,292	14,977	19,709	25,768	31,000	33,300
Service and Miscellaneous	31,897	56,009	73,747	99,426	130,100	137,300
Other & Agriculture	45,737	32,045	33,268	34,513	66,400	70,300
Total Employed	308,800	389,000	473,600	585,300	692,200	710,000
Unemployed	15,500	25,200	37,400	33,500	42,100	40,800
Total Labor Force	324,300	414,200	511,000	618,800	734,300	750,800

Source: 1960 through 1984 "Statistical Review of Government in Utah", prepared by the Utah Foundation from reports and records of the U Department of Employment Security. Numbers for 1985 and the 1986 forecast were prepared from reports of the Utah Department of Emp ment Security.

AVERAGE ANNUAL UNEMPLOYMENT RATE
FOR THE LAST FIVE YEARS

YEAR	UTAH(A)	U.S.(B)
1982	7.8%	9.7%
1983	9.2%	9.6%
1984	6.5%	7.5%
1985	6.0%	7.3%
1986 June	5.2%	7.3%

Source: (A) Utah Department of Employment Security
(B) Employment and Earnings - Bureau of Labor Statistics

Gross Taxable Retail Sales and Use Tax Purchases

Bank Deposits

GROSS TAXABLE RETAIL SALES AND USE TAX PURCHASES
FOR THE LAST FIVE FISCAL YEARS
(Expressed in Thousands)

	Gross Retail Sales and Purchases					Percent Change	Percent Change
	1982	1983	1984	1985	1986	1984 to 1985	1985 to 1986
Major Industry:							
Agriculture, Forestry and Fishing	$ 9,119	$ 7,727	$ 8,500	$ 9,382	$ 8,701	10.4%	(7.3)%
Mining	274,034	214,485	200,835	190,755	118,459	(5.0)	(37.9)
Construction	204,512	208,846	270,353	342,746	299,243	26.8	(12.7)
Manufacturing	831,155	788,654	868,110	968,172	948,582	11.5	(2.0)
Transportation	74,840	48,268	57,203	66,694	54,569	16.6	(18.2)
Communications	265,080	301,450	293,256	308,709	329,583	5.3	6.8
Electric, Gas and Sanitation	594,381	608,199	687,289	858,057	803,160	24.8	(6.4)
Wholesale Trade	1,524,798	1,274,852	1,379,250	1,432,277	1,370,784	3.8	(4.3)
Retail - Building and Garden	401,506	380,426	471,467	531,630	528,301	12.8	(0.6)
Retail - General Merchandise	744,697	808,707	852,071	883,111	918,227	3.6	4.0
Retail - Food Stores	1,244,257	1,373,499	1,443,342	1,539,602	1,695,255	6.7	10.1
Retail - Motor Vehicle Dealers, Etc.	875,310	929,554	1,175,413	1,326,899	1,368,249	12.9	3.1
Retail - Apparel and Accessories	248,324	247,452	270,585	301,865	326,206	11.6	8.1
Retail - Furniture and Home Furnishings	314,181	316,775	380,436	437,087	444,053	14.9	1.6
Retail - Eating and Drinking Places	469,705	493,381	545,225	607,372	667,022	11.4	9.8
Retail - Miscellaneous	658,771	682,643	730,386	830,779	817,798	13.7	(1.6)
Finance, Insurance and Real Estate	45,568	41,425	47,991	51,574	61,912	7.5	20.0
Services	913,789	1,041,359	1,135,595	1,378,376	1,364,676	21.4	(1.0)
Public Administration	42,678	54,256	76,490	101,552	72,450	32.8	(28.7)
Private Motor Vehicle Sales	183,929	176,417	204,301	222,716	213,524	9.0	(4.1)
Occasional Retail Sales	20,784	30,324	36,235	19,231	36,459	(46.9)	89.6
Nondisclosable	11,235	24,133	36,990	22,812	34,627	(38.3)	51.8
Total	$ 9,952,653	$ 10,052,832	$ 11,171,323	$ 12,431,398	$ 12,481,840	11.3%	0.4%

Source: Utah State Tax Commission

BANK DEPOSITS
LAST TEN YEARS

YEAR ENDED	BANK DEPOSITS (Expressed in Thousands)(A)
June 30	
1986	$ 14,221,106
1985	$ 13,261,869
1984	$ 12,893,639
1983	$ 11,841,786
1982	$ 10,480,884
December 31	
1981	$ 10,535,063
1980	$ 10,702,840
1979	$ 8,981,874
1978	$ 8,034,542
1977	$ 7,081,677

(A) Note: Figures do not include National Credit Unions

Source: Utah Dept. of Financial Institutions

Largest Employers

As of March 1986

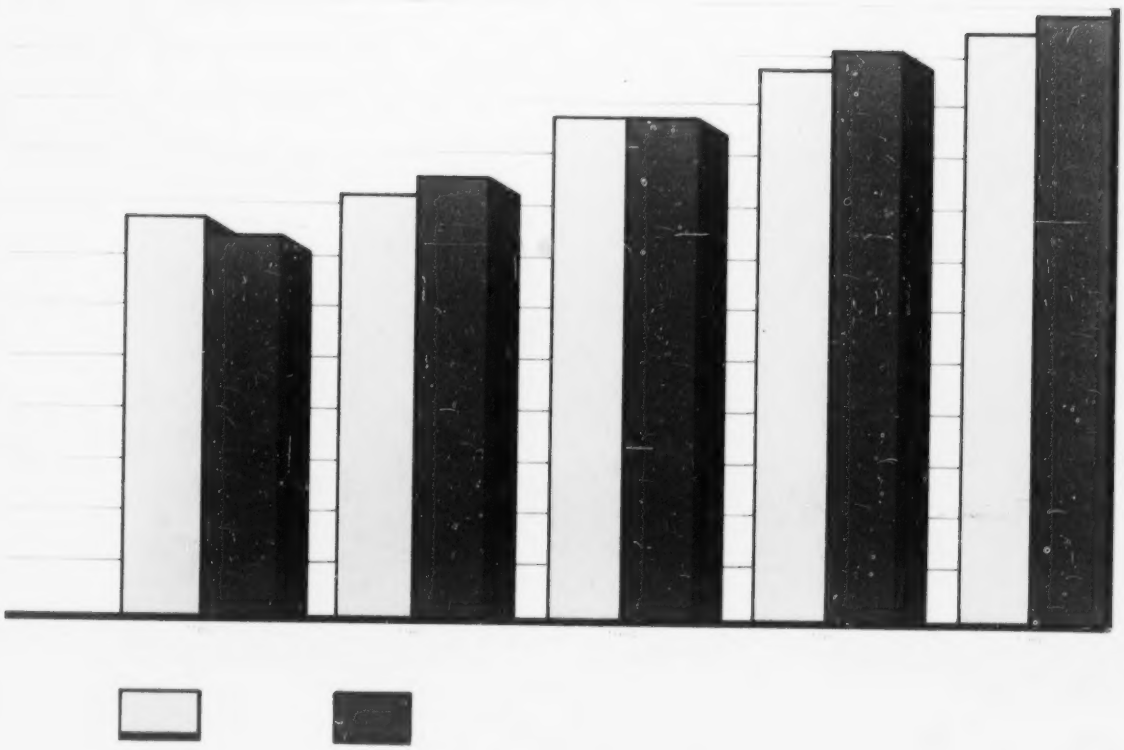
	Number Of Employees(A)
Hill Air Force Base	15,500
State of Utah	14,000
Brigham Young University	12,000
University of Utah	12,000
Church of Jesus Christ of Latter-Day-Saints	7,500
Granite School District	6,500
Morton-Thiokol Inc	6,500
Jordan School District	6,000
Hercules Corp	5,500
U.S. Treasury Dept. - IRS	5,000
Utah State University	4,500
Utah Power & Light	4,500
Salt Lake County	4,500
Sperry Corp	4,000
The Mountain States Tel. & Tel.	4,000
Tooele Army Depot	4,000
Davis County School District	3,500
U.S. Post Offices	3,500
Alpine School District	3,000
ZCMI	3,000
Salt Lake City School District	3,000
Smiths Management Corp.	3,000
Western Airlines, Inc.	3,000
United States Steel Corp.	2,500
Weber County School	2,500
LDS Hospital	2,500
Salt Lake City Corp.	2,500
Weber State College	2,500
Union Pacific Railroad	2,000
First Security Bank of Utah	2,000
Albertsons, Inc.	2,000
Safeway Stores, Inc.	2,000
Defense Depot - Ogden	2,000

Sources: State of Utah from State Payroll Coordinator; all others from Utah Department of Employment Security.

(A) All amounts are rounded.

Revenues and Expenditures – All Governmental Fund Types

For the Last Five Fiscal Years



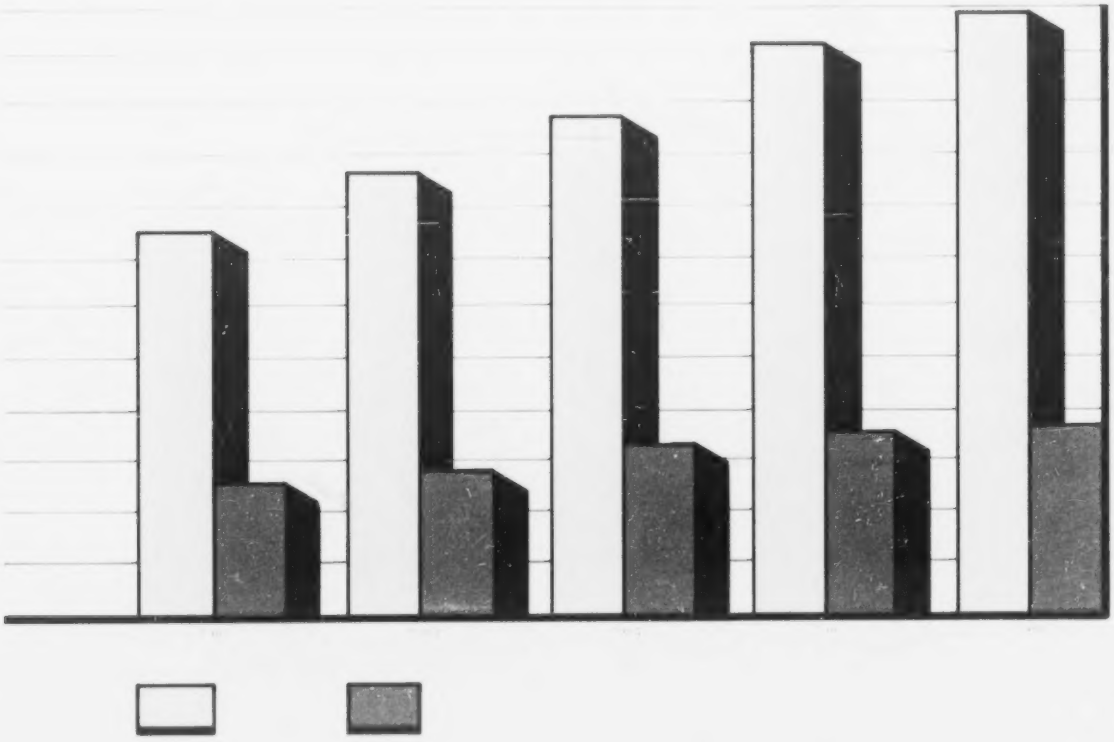
(Dollars Expressed in Millions)

	1982	1983	1984	1985	1986
Revenues	$ 1,568	$ 1,621	$ 1,954	$ 2,163	$ 2,290
Percent Change Over Previous Year	9.4%	3.4%	20.5%	10.7%	5.9%
Expenditures	$ 1,493	$ 1,716	$ 1,949	$ 2,212	$ 2,369
Percent Change Over Previous Year	4.0%	14.9%	13.6%	13.5%	7.1%

Revenues and expenditures of "All Governmental Fund Types" include: The General Fund, Special Revenue Funds (Uniform School Fund and Transportation Fund), Capital Projects Fund, and Debt Service Fund.

Expenditures Historical and Constant Dollars All Governmental Fund Types

For the Last Five Fiscal Years



(Dollars Expressed in Millions)

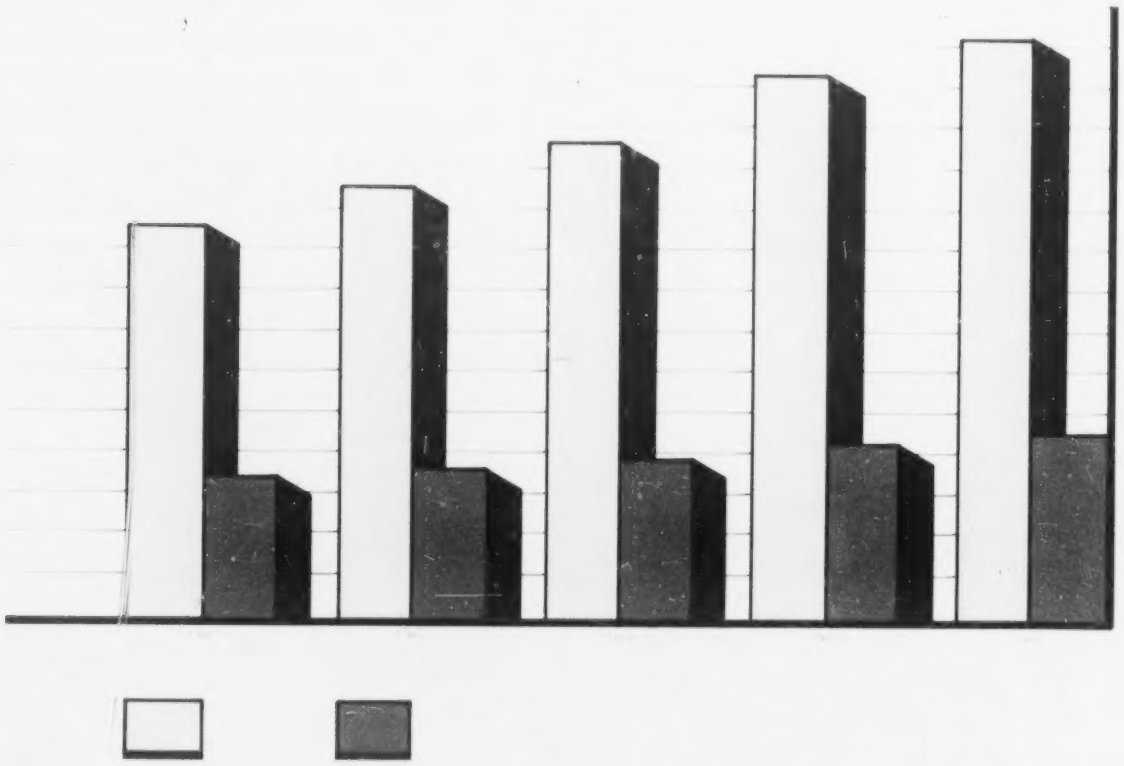
	1982	1983	1984	1985	1986
Historical Dollars	$ 1,493	$ 1,716	$ 1,949	$ 2,212	$ 2,369
Percent Change Over Previous Year	4.0%	14.9%	13.6%	13.5%	7.1%
Constant Dollars(A)	$ 517	$ 574	$ 639	$ 698	$ 727
Percent Change Over Previous Year	(1.9)%	11.0%	11.3%	9.2%	4.2%

Base Year 1967 = 100

(A) Note: Expenditures expressed in constant dollars were derived by using the consumer price index for all urban con-

Per Capita Expenditures Historical and Constant Dollars All Governmental Fund Types

For the Last Five Fiscal Years



	1982	1983	1984	1985	1986
Historical Dollars	$ 957	$ 1,060	$ 1,180	$ 1,328	$ 1,404
Percent Change Over Previous Year	1.4%	10.8%	11.3%	12.5%	5.7%
Constant Dollars(A)	$ 331	$ 355	$ 387	$ 419	$ 431
Percent Change Over Previous Year	(4.6)%	7.3%	9.0%	8.3%	2.9%

Base Year 1967 = 100

(A) Note: Expenditures expressed in constant dollars were derived by using the consumer price index for all urban consumers.

Expenditure Comparison by Type – General Fund

(Expressed in Thousands)

	For the Fiscal Year Ended June 30			
	1986	1985	Dollar Change	Percent Change
Personal Services	$ 214,767	$ 193,274	$ 21,493	11.1%
Health Insurance	17,508	16,183	1,325	8.2
Retirement Benefits	25,928	23,439	2,489	10.6
FICA	14,993	13,292	1,701	12.8
Other Employee Benefits	5,198	4,661	537	11.5
In State Travel	5,413	4,763	650	13.6
Out of State Travel	2,004	1,749	255	14.6
Data Processing	20,623	14,872	5,751	38.7
Communications	5,960	5,868	92	1.6
Professional and Technical Services	39,686	64,300	(24,614)	(38.3)
Employment Security Operations	41,443	34,298	7,145	20.8
Retirement Administration	6,167	5,432	735	13.5
Rent - Land and Equipment	8,248	8,137	111	1.4
Maintenance - Buildings and Equipment	11,951	7,463	4,488	60.1
Tax Anticipation Interest	3,679		3,679	
Utilities	5,432	6,252	(820)	(13.1)
Other Current Expenditures	33,124	35,660	(2,536)	(7.1)
Land	5,746	1,537	4,209	273.8
Data Processing Equipment	4,237	6,526	(2,289)	(35.1)
Other Capital Outlays	7,770	6,911	859	12.4
Allocations to Institutions of Higher Education	315,322	296,206	19,116	6.5
Public Assistance Payments	126,005	121,889	4,116	3.4
Welfare Medical Payments	199,952	165,753	34,199	20.6
Social Services Block	20,972	19,221	1,751	9.1
W.I.C. Payments	10,825	8,190	2,635	32.2
Family Services - State Funded Programs	30,522	26,152	4,370	16.7
Cooperative Agreements	5,691	5,230	461	8.8
Payments to Other Governments	24,388	28,092	(3,704)	(13.2)
Distributions to Local School Districts	615	240	375	156.3
Other Service Payments	46,934	41,093	5,841	14.2
Pass Through Funds	20,245	1,993	18,252	915.8
Total	$ 1,281,348	$ 1,168,676	$ 112,672	9.6%

Expenditure Comparison by Type – Uniform School Fund Transportation Fund

(Expressed in Thousands)

UNIFORM SCHOOL FUND

	For the Fiscal Year Ended June 30			
	1986	1985	Dollar Change	Percent Change
Personal Services	$ 17,303	$ 17,307	$ (4)	0.0%
Health Insurance	1,289	1,278	11	0.9
Retirement Benefits	1,994	2,037	(43)	(2.1)
FICA	1,213	1,195	18	1.5
Other Employee Benefits	289	279	10	3.6
In-State Travel	573	573		
Out-of-State Travel	160	198	(38)	(19.2)
Data Processing	2,190	779	1,411	181.1
Communications	485	771	(286)	(37.1)
Professional and Technical Services	1,544	1,279	265	20.7
Rent - Land and Equipment	918	1,041	(123)	(11.8)
Maintenance - Buildings and Equipment	115	159	(44)	(27.7)
Utilities	383	419	(36)	(8.6)
Other Current Expenditures	2,444	2,116	328	15.5
Capital Outlays	478	1,437	(959)	(66.7)
Payments to Other Governments	18,213	5,357	12,856	240.0
Distributions to Local School Districts	675,063	604,940	70,123	11.6
Other Service Payments	4,720	4,227	493	11.7
Area Vocational Centers	6,884	4,423	2,461	55.6
Total	$ 736,258	$ 649,815	$ 86,443	13.3%

TRANSPORTATION FUND

	For the Fiscal Year Ended June 30			
	1986	1985	Dollar Change	Percent Change
Personal Services	$ 46,139	$ 43,141	$ 2,998	6.9%
Health Insurance	3,680	3,489	191	5.5
Retirement Benefits	5,343	4,893	450	9.2
FICA	3,256	3,009	247	8.2
Other Employee Benefits	8,720	982	7,738	788.0
In-State Travel	793	892	(99)	(11.1)
Out-of-State Travel	63	22	41	186.4
Data Processing	2,861	1,457	1,404	96.4
Communications	668	865	(197)	(22.8)
Professional and Technical Services	11,646	8,858	2,788	31.5
Materials and Supplies	13,989	15,541	(1,552)	(9.9)
Rent - Land and Equipment	221	280	(59)	(21.1)
Maintenance - Buildings and Equipment	3,404	3,076	328	7.4
Utilities	2,298	2,376	(78)	(3.3)
Other Current Expenditures	4,602	6,318	(1,716)	(27.2)
Land	6,448	5,186	1,262	24.3
Highway Construction	171,108	217,521	(46,413)	(21.3)
Other Capital Outlays	12,429	9,059	3,370	37.2
Payments to Other Governments	39,879	37,910	1,969	5.2
Pass Through	4,413		4,413	
Total	$ 351,660	$ 365,879	$ (23,015)	(6.3)%